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NEWS SUMMARY

GENERAL

Another rail strike next week

The Aslef executive called another two-day strike for next Wednesday and Thursday despite the likelihood that British Rail and its unions will resume talks at Ayles today on the train drivers' pay and productivity dispute.

All rail services were halted by the first day of Aslef's second two-day strike. No trains will run today or on Sunday. Eastern Region services are expected to be disrupted tomorrow by a guards' strike at Kings Cross. **Back Page**

BUSINESS

Dollar firmer; £ off 1.05c

● **DOLLAR** closed at DM 2.308 (DM 2.295), SwFr 1.861 (SwFr 1.8475) and ¥225.5 (¥224.5). It trade-weighted index improved to 109.1 (108.7). **Page 32**

● **STERLING** fell 1.05 cents at \$1.845. It finished at DM 4.3525 (DM 4.35) and SwFr 3.51 (SwFr 3.505). Its trade-weighted index closed at 91.4 (91.5) **Page 32**

● **GOLD** closed \$21 lower at \$373. **Page 32**

● **GILTS** extended their recent advance. The Government Securities index added 0.04 to 62.65. **Page 36**

● **EQUITIES** followed Wall Street's overnight dullness but the FT 30-share index recouped its loss and finished just 0.1 off at 545.8. **Page 36**

● **WALL STREET** was down 0.19 to 847.22 near the close. **Page 34**

● **LEAD** closed at \$356 a tonne.

Police chief stays

Chief Constable Ronald Gregory will not resign after criticism of the West Yorkshire Police Force's handling of the Yorkshire Ripper hunt.

Scotland's Solicitor General was reported as saying there was not enough evidence "to stand a chance of gaining conviction" in the case of a Glasgow woman allegedly raped by three youths.

Arms seized

Spanish police seized five tonnes of arms belonging to Basque guerrillas. The haul was said to represent almost the whole arsenal of the political-military branch of separatist organisation Eta. **Page 2**

McAliskey plea

Andrew Watson, 25, of Dunmurry, pleaded guilty in Belfast Crown Court to the attempted murder of former MP Mrs Bernadette McAliskey. Two other men pleaded not guilty.

U.S. tax hint

Doubling of U.S. excise tax was "far from being" the only option which President Reagan was considering for his 1983 Budget, White House Chief of Staff James Baker said.

Abortion reports

Several doctors have been reported to the Director of Public Prosecutions by the Health Department for allegedly failing to supply full medical reasons when carrying out abortions.

Heart transplant

Donald Nelson, 47, of Eastcote, Middlesex, received a new heart in a transplant operation at Harefield Hospital. His condition was reported as good.

Prisoners killed

Prison guards in India shot dead five prisoners and wounded 24 during an attempted jail break in the northern city of Bareilly.

Salvador battle

Thirty guerrillas were killed in a fierce battle with Government forces in south-eastern El Salvador.

KGB man dies

Semyon K. Tsvigun, second most powerful man in the Soviet KGB, has died at 64, Soviet television reported.

Peel power

Suzuki Motor Company tested motor fuel extracted from tangerine skins and said a car and a motorcycle performed just as well as petrol-driven counterparts.

Briefly ...

Michelin Guide's first three-roulette rating for a UK restaurant has gone to Le Gavroche in Mayfair, London. **Back Page**

Irish MP Tom Enright wants to extend the breath test law to cover pedestrians.

David Frost and his actress wife Lynn Frederick are expecting their first baby in August.

COMPANIES

● **TATE AND LYLE** reported pretax profit ahead from £30.7m to £38.5m in the year to September 26. **Page 24; Lex. Back Page**

● **TRUSTHOUSE FORTÉ** reported pre-tax profits down to £32.3m (£36m) for the 52 weeks to end October. **Page 24; Lex. Back Page**

● **GESSTNER HOLDINGS'** pretax profits for the 52 weeks to end October plunged from £15.94m to £3.2m. **Page 25; Lex. Back Page**

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

RISERS	
Treas 3c 1985	761 + 1
Exchar 15p 1987	115 + 1
Anglia TV A	118 + 3
Birmingham Mint	176 + 5
BET Bid	146 + 4
Chemring	288 + 13
Granada A	228 + 6
Hambro Life	334 + 8
Home Charm	128 + 5
LWT A	121 + 6
Loekers Dyers	73 + 6
Loekers	56 + 6
Mercantile House	440 + 28
Phoenix Timber	96 + 5
Pilkington	285 + 15
Rockware	65 + 5
Strong and Fisher	54 + 3

FALLS	
Gestner A	51 - 4
Grand Metropolitan	188 - 4
Grindlays Bank	322 - 6
Midland Bank	198 - 4
RMC	67 - 6
THRP	437 - 5
Thorn EMI	437 - 5
Trusthouse Forte	116 - 5
Anglo Am Gold	1331 - 21
Central Pacific	42 - 6
Gold Fields SA	£34 - 17
Grainville	385 - 24
Randfontein Ests.	£27 - 1
Vogels	120 - 10

Tate and Lyle	216 + 6
Ward & Goldstone	116 + 6
Cons Murchison	270 + 20

Banks face tougher guidelines as share of home loans soars

BY WILLIAM HALL, BANKING CORRESPONDENT

THE BANK of England has issued a directive to Britain's 800-odd recognised banks and licensed deposit-taking institutions, tightening up the guidelines covering their involvement in the house mortgage market.

This is the first time the Bank has issued guidance purely on mortgage lending and its first directive to the clearers on any aspect of lending since March, 1980.

The Bank of England has been concerned that the banks' recent rapid growth in the market might be due partly to institutions lending money on mortgages for reasons other than purely house purchase or home improvement. Such borrowing attracts a tax relief not normally available for other borrowing purposes.

In the three months to mid-November the banks increased their lending for house purchase by £905m, and their annual rate of growth was running at more than 70 per cent. A year ago they accounted for less than 10 per cent of new home loans; today their share is estimated at 40 per cent.

Now the Bank has asked recognised banks and licensed deposit-taking institutions to ensure that, when a borrower sells a house and increases his mortgage, most of the increase is used in buying the new house or for its improvements.

Banks have been asked also to ensure that when a mortgage is transferred from another lender without involving any property sale, its size is not normally increased unless the property is to be improved.

The Bank of England has written to the main association of insurance companies asking their members to have regard to this request when making mortgage loans. The Treasury has made a similar request to the Building Societies Association.

The big clearing banks generally welcomed the Bank's guidance on mortgage lending but added that it would have no real impact on their rate of growth in this market. The practices the Bank referred to were not found among the big banks.

Lloyds Bank said: "The guidelines will help to dispel any uncertainty which may have existed about the role of banks in the home lending market."

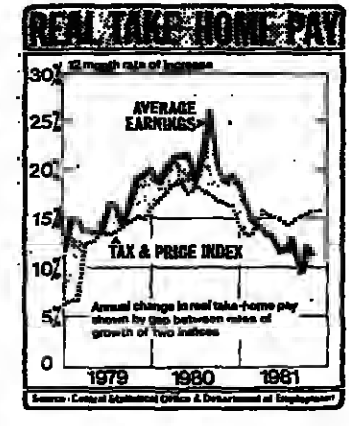
The Bank of England stressed yesterday that the guidelines were a precautionary notice. The Bank accepted that the competition in the home loan market was healthy. However, the guidelines were intended to ensure that competition did not develop in such a way that home loans were used by borrowers to realise capital profits on houses.

The Bank indicated that the guidance did not affect traditional second mortgage lending.

BANK MORTGAGE LENDING*

Barclays	700
Lloyds	450*
NatWest	500
Midland	311
All Banks	4,721
Building Societies	48,000

* Amount outstanding
** Including commitments



Unit labour costs rise more slowly in last quarter

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

LABOUR COSTS per unit of output borne by British industry are increasing at a rate only of about 3 per cent a year, more slowly even than in Japan.

Figures released yesterday by the Department of Employment suggest that there have been substantial gains in productivity as companies emerge from the worst of the recession.

The 2 per cent rate of rise on an annual basis, recorded in the three months to October, compares with a rate of 16 per cent in the period to last March.

The latest earnings figures, for November, show the annual rate of increase in average earnings falling to 11.2 per cent compared with 11.9 per cent in October. The underlying rate of increase is thought to have remained at about 11 per cent since last summer.

However, the average level of pay settlements is below this figure, partly because the temporary effect of the recovery from recession or whether industry is readily emerging leaner and fitter from its halting.

Yesterday's figures, suggesting that the rate of growth of wage costs since last summer has been considerably lower than previously estimated, give support to the Treasury's cautious optimism about underlying productivity gains.

In the autumn of 1980, unit labour costs in the UK were rising at an annual rate of 25 per cent, twice as fast as in the U.S. and two and a half times as fast as in West Germany.

By the beginning of 1981, the annual rate of increase in the UK had slowed to 18 per cent, compared with 10 per cent in the U.S. and 7 per cent in Germany. By the third quarter of last year it was down to 3.9 per cent.

Economic Viewpoint: Ways out of stagflation, Page 23

UNIT LABOUR COSTS

Annual rate of increase (per cent)

Third Quarter 1981	
UK	3.9
West Germany	4
Japan (2nd Qr)	6
U.S.	6
France	13

West to field TV stars in show of solidarity

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE WEST, under U.S. leadership, is to field a galaxy of television talent, ranging from film star Charlton Heston to Mrs Margaret Thatcher, in a worldwide propaganda drive on behalf of the Polish people.

At least seven Western leaders, including President Ronald Reagan and Chancellor Helmut Schmidt, are to appear in a show that will be beamed on January 31 to a potential audience of more than 300m people in a gesture of solidarity with Poland, Washington announced yesterday.

The film will record events in the U.S. and Western Europe on January 30, which, in the U.S., at least, was yesterday officially named "Solidarity Day" by Mr Reagan. The bulk of the \$500,000 (£266,000) production and transmission costs will be paid by the U.S.

The idea first came from the Brussels-based Polish Action Committee, a group of Polish exiles and Solidarity trade union supporters. Earlier this month it issued a plea for a worldwide demonstration of support for the Polish people in late January.

The plea was taken up in the U.S. by the AFL-CIO labour federation, which is to hold nationwide rallies on January 30, and by church groups and individuals. Similar trade union rallies are planned in West Germany, but the U.S. International Communication Agency (ICA), which is organising the film, said it had not yet heard of any special events in the UK.

In addition to the leaders of the U.S., Britain and West Germany, the Prime Ministers of Belgium, Norway and Portugal, and Luxembourg's Foreign Minister have agreed to take part in the show.

Yesterday, the ICA said it had still to hear from the leaders of other West European countries, such as France and Italy, who had also been approached.

The film has not been accepted by any East European country, but the sound track will be transmitted to Eastern Europe, including Poland, by the U.S. radio stations, Voice of America, Radio Free Europe, and Radio Liberty.

The film, which will be at least an hour long, is to be called "Let Poland Be Poland," the title of a Polish protest song that has been adopted as a theme by Solidarity, the ICA said. The words will be translated into English by the Polish Nobel literature prizewinner, Prof Czeslaw Milosz, and possibly sung by Frank Sinatra, who has agreed to take part.

In London, it was confirmed that the Prime Minister, intends to provide her own message for broadcast on January 30 and transmission on the following day. However, her office said it did not know whether the programme would be broadcast in the UK.

The BBC and ITV said last night there were no plans at the moment to broadcast the special programme.

Marital law ended peace threat, says Pravda, Page 2

Grand Met may sell 10 hotels

BY ARTHUR SANDLES

GRAND METROPOLITAN may sell as many as 10 of its 18 London hotels as part of a rationalisation programme following the recent \$500m purchase of Intercontinental Hotels from Pan Am. The hotels could have a potential price tag of about £40m.

A statement last night following the Inter Continental purchase said: "It has become increasingly evident that the combined group would have too large a representation of hotels in London compared with the rest of the world."

"It has therefore been decided to sell some of the London hotels." The premises for sale were not named.

Grand Met owns properties ranging from the de luxe Europa and Britannia hotels in Grosvenor Square to busy package-tour properties such as the Mount Royal and the Piccadilly. Its long list of sites also includes the St Ermins, in Victoria, and the May Fair, in Mayfair.

Last night, a Grand Met executive said the group had not decided which hotels to sell. "We are bagging out the washing and seeing what comes along."

Intercontinental's existing European Division will be expanded to include many of the UK company's European hotels. These might be expected to include the Britannia and Europa, the Carlton in Cannes, the Lotti and Maurice in Paris and the Hotel d'Angleterre in Copenhagen among others.

Many other properties will go into the Forum group of more popular hotels, again part of Intercontinental. One or two London properties, notably the Mount Royal and Piccadilly, would seem to fit in that category.

Whether the others are sold, and at what price, will depend heavily on what bids are forthcoming.

Grand Met said that the effective merger of its city hotel operations into the Intercontinental fold would be as painless as possible as far as staff were concerned. "Intercontinental are keen to integrate as many Grand Met employees as they can within their expanded organisation," said Grand Met.

"We consider it of great importance that any prospective purchaser should be in a position to offer a secure and bright future for the hotel staff and to safeguard their pension benefits."

Grand Met will complete the transfer of such hotels as are going to Intercontinental at the beginning of April.

There is no indication at the moment that Grand Met intends any changes to its provincial hotel chain in the UK. It owns more than two dozen hotels outside London.

Department's earnings index includes payments for overtime, which has been rising.

The Confederation of British Industry's pay databank estimates yesterday that pay settlements in November averaged 6.7 per cent compared with average increases of 7.8 per cent in August.

Its latest report says most of the settlements reported since August have been in the 4 to 6 per cent range. In the earlier part of the year most settlements were for increases of between 7 and 9 per cent.

This suggests that most settlements in the industrial sector are now well below the annual rate of retail price inflation which was 12 per cent for the last two months of 1981.

The CBI says: "The combination of low profits, price competition and the risk of redundancy have continued to apply considerable downward pressure, outweighing the only major upward pressure—cost of living increases."

A continued reduction in British labour costs, leading to improved international competitiveness, forms an essential part of the Government's strategy for economic recovery.

There has been anxious debate, therefore, whether the recent improvements in productivity represent only a temporary effect of the recovery from recession or whether industry is readily emerging leaner and fitter from its halting.

Six more join SDP in Lords

THREE Labour peers—one a former Labour MP—are among six new recruits in the House of Lords for the Social Democrats, taking their number to 24.

They include Lord Whaddon, formerly Mr Derek Page, Labour MP for Kings Lynn; Lord Hutchinson QC; and Lord McGregor of Durris, Professor of Social Institutions at the University of London.

The rate for electricity paid by British Aluminium is thought to have been 1.7p per unit. It is believed widely that a rate of 0.5p per unit would be likely to make the company viable.

The Scottish Office is anxious to prevent the flight of the plant's technical personnel by taking the site out of the hands of British Aluminium.

£ in New York

	Jan. 19	previous
1 month	0.18-0.13 dis	0.25-0.19 dis
3 months	0.18-0.13 dis	0.22-0.27 dis
12 months	0.20-0.40 pm	0.10 dis-nil

Independent survey reveals outright lift-truck leader

Everyone claims their trucks are best. So why not ask a wide range of your fellow truck users which make of truck they think is best?

Business and Market Research Ltd. have recently done just that, publishing without our or the industry's knowledge, a totally independent and un-sponsored 1981 survey. 200 companies were questioned about their experience with the ten leading lift truck makes available in Britain today. Since most companies run mixed fleets, direct on-the-job comparisons were also possible between makes.

Asked to grade these makes according to the seven most important aspects of design, economy and efficiency, companies large and small soon pinpointed the overall leader.

Bearing in mind the wide range of makes and truck types involved, further comment would appear superfluous. So for a practical demonstration of what these results can mean for your business, contact your local Lansing Depot right now.

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Keaton (Derby): 0602 326781 · Isleworth: 01-568 4681 · Leeds: 0532 530331 · Manchester (Farnworth): 0204 760322
Redditch: 0527 28773 · Wales (Bridgend): 0656 56625 · Warrington: 0925 51177 · Winchester: 0962 60511

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EUROPEAN NEWS

Confidence call over French nationalisation

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government yesterday took the extreme step of deciding to make its revised nationalisation Bill an issue of confidence before the National Assembly...

Five tonnes of terrorist arms seized in Spain

BY ROBERT GRAHAM, IN MADRID

SPANISH SECURITY forces near Bilbao yesterday seized 5 tonnes of weapons which they claimed was the most important arsenal of the political-military wing of Eta...

ELECTRICITY consumption is expected to grow by 3 per cent in Spain this year, according to Unesa, the association which groups private and state utilities...

MEPs pick high flier to give them a lift

By John Wyles in Brussels

THE ELECTION of Mr Pieter Dankert on Monday evening as president of the European Parliament marks the ascendancy of a political "high flier" over an assembly which has not seemed overpopulated with politicians of real distinction...

Currency shortages hit Yugoslavia

By Aleksandr Lebl in Belgrade

MANY YUGOSLAV enterprises are suffering from severe hard currency shortages because of the federal Government's determination to subordinate all economic activities to the aim of reducing this year's balance of payments deficit to \$500m (\$265m)...

Martial law ended peace threat—Pravda

BY OUR MOSCOW CORRESPONDENT

THE SOVIET Communist Party newspaper, Pravda, yesterday suggested that the military crackdown in Poland prevented the crisis spilling over into a wider conflict and endangering peace in Europe...

Polish leaders were using the situation, at whatever cost to Poles themselves, to "shatter" the East bloc, weaken its defence potential and convert Poland into a seat of tension...

Protesters lose court fight against Frankfurt runway

BY KEVIN DONE IN FRANKFURT

ENVIRONMENTALIST groups have failed in their attempts to stage a plebiscite in the state of Hesse to halt the building of a new runway at Frankfurt's international airport...

Amnesty makes claim of 60 Turkish jail deaths

BY OUR FOREIGN STAFF

AMNESTY INTERNATIONAL has the names of more than 60 persons who are reported to have died in custody in Turkey since the generals seized power in September 1980...

Floods threaten East German industrial city

BY LESLIE COLT IN BERLIN

THE FLOODING of the Oder River which has inundated tens of thousands of hectares of land and hundreds of farm buildings in Poland is now threatening the East German industrial city of Frankfurt an der Oder...

Portugal's Communists back Eanes stand

BY OUR FOREIGN STAFF

THE Portuguese Communist Party has said it would support General Antonio Ramalho Eanes if he carries out his threat to step down as President but remains in politics should constitutional reforms being prepared by Parliament reduce the powers of his office...

Bankers' bank gains allies among the policy-makers

AT FIRST, it seems like a paradox. But in fact, it is not really surprising that an institution as richly traditional as the Bank for International Settlements (BIS) should be at the centre of an international movement to revive what might be called the pragmatic side of monetarism...

Prof Alexandre Lamfalussy, assistant general manager of the Bank for International Settlements, explains to David Marsh how Western leaders are beginning to respond to the bank's pleas for a more pragmatic approach to monetary policy.

The BIS-owned by leading central banks from around the world but run essentially by Europeans—has a 50-year-old reputation for financial conservatism, underlined by its baffling penchant for denouncing its annual accounts in pre-war Swiss gold francs...

At the moment, the BIS view seems to be gradually winning acceptance. In an interview in London Prof Alexandre Lamfalussy, the bank's assistant general manager, who for the last six years has been responsible for the BIS's trenchant economic commentaries, said more countries were now paying attention to exchange rate stability—even though the U.S. remained the odd man out in refusing to intervene regularly to stabilise the dollar...

"not just for a month but for half a year or a year" to moderate swings in interest rates. This is very much the traditional philosophy of European central bankers, who generally tend to scorn the new British fetish for close control of the money supply...

high when oil was already boosting the pound. But now there has been a move towards pragmatism, says Prof Lamfalussy. "The mistakes are being corrected. Wage rises are falling. Monetary policy is not so single-minded. The Government seems to be looking at a wider variety of monetary aggregates. It is also keeping an eye on the exchange rate."

the dollar is going down the drain. But it doesn't necessarily see that happening, both because of the Fed's determination to maintain a consistent monetary policy and high interest rates and because of world political developments which favour the dollar.



Prof Lamfalussy, trenchant commentator.

More effective Operating within these limits, Mr Dankert is bound to try to make the Parliament more effective, partly by becoming more personally involved in the negotiations which attempt to reconcile differences of view between the assembly and the Council.

Jordan changes UN resolution on Golan

By Our United Nations Correspondent

JORDAN SUBMITTED a revised resolution to the UN Security Council yesterday, dropping its earlier explicit demand for compulsory sanctions against Israel over the Golan Heights issue, but requiring all governments to consider "concrete and effective measures".

These should have the effect, it said, of nullifying the annexation of Golan and "detering" Israel in its policies and practices of annexation.

Jordan, the only Arab member of the council, and the surrogate for Syria and the Arab group, withdrew its earlier text because this could not command the required minimum majority of nine votes.

The revised resolution still faced a veto by the U.S., which made plain to the Arab states last week that even an implicit call for sanctions against Israel was unacceptable.

With the council hamstrung, the issue is expected to go to the General Assembly at an emergency special session, which could begin as early as next week. The assembly cannot order enforcement measures, but the session will enable Israel's critics again to vent their feelings on the Golan question and the generally hard line of the Israeli Government.

The resulting resolution is certain to be adopted by a large majority.

Kenzi, aide to Cairo's Egyptian President Hosni Mubarak is expected to make his first visit to Israel in the last week of February, the Cairo weekly magazine Al-Mussawar said yesterday.

The magazine said Egypt had told Israel and the U.S. that Mr Mubarak's visit would be made to speed the process of normalising relations.

Mugabe speech dangerous, says Nkomo's party

By Our Foreign Staff

THE Rift between Zimbabwe's two main nationalist parties widened yesterday when the Patriotic Front, led by Mr Joshua Nkomo, declared in a press statement that Prime Minister Robert Mugabe's weekend speech calling for one-party state was "as ill-advised as it was false and dangerous".

Earlier in the week Mr Nkomo himself had angrily rejected the Prime Minister's assertion that his Zanu-PF party and the Patriotic Front would meet soon to discuss a merger.

In his speech to a party rally, Mr Mugabe was also reported as saying that Zanu-PF was above parliament and government. The Front statement yesterday accused the Prime Minister of indulging in "wild daydreams".

Any attempt to reduce the role of parliament would "throw the country into the deepest precipice", it added.

Meanwhile latest migration statistics show that 18,747 people emigrated in the first 11 months of 1981—higher than the 17,249 outflow in the full year 1980. These figures are no longer classified by race but all but a handful of emigrants are white.

Charles Smith examines Japan's role in a key industry Tokyo faces machine tool challenge

JAPAN'S MACHINE tool industry has increased its production 2.9 times and its exports 4.3 times since the dark days of 1975 when some of the industry's leading companies had to sell land to stay afloat.

While West Germany and the U.S. placed their main emphasis on developing large-sized, high precision tools for the aircraft, space or defence industries, the Japanese went for small, multi-purpose machines, which could be used by small to middling companies in conventional industries, and whose main advantage was that they saved labour.

The key characteristic of such machines is their compactness, which again distinguishes Japanese industry from its West German counterpart — is numerical control.

Almost half the machines now being turned out in Japan are fitted with numerical control (NC) devices, and the biggest Japanese manufacturer, Fujitsu Fanuc, is believed to control half the world market for NC devices. Japan's machine tool industry can thus be said to have got where it is today, primarily because the trend towards small NC-controlled machines was spotted in Japan several years earlier than in Europe or the U.S.

In spite of being first on to the NC bandwagon, Japan did not invent the numerical control machine. Japanese tool makers attributed this achievement to the leading U.S. machine tool maker, Cincinnati Milacron, whose technology they admit is still probably superior to their own. Japan, however, does deserve credit for having grasped the potential of the Cincinnati invention and for having bridged the gap between basic technology and a marketable product before its rivals.

The key stage in this process was reached in the late 1960s, when the Ministry of International Trade and Industry (MITI) sponsored a machine tool development project somewhat similar to the computer and integrated circuit development projects over which it presided in the 1970s. MITI is reticent today about the details of the project, whose existence was not widely publicised at the time it was under way.

The most MITI officials will say is that Fujitsu Fanuc was a participant and that the company's president is still grateful for the boost to his company in this vital area.

Speedy exploitation of numerical control systems may not have been the only factor which helped Japan, first to penetrate and then virtually overrun Western markets for small machine tools, from the mid-1970s onwards.

A second weapon in the machine tool industry's armour seems to have been highly competitive pricing. Japan has an estimated 400 to 500 makers of machine tools — not counting companies with fewer than 50 employees — and the industry is acknowledged even today as being hyper-competitive, especially in areas such as NC-controlled lathes, which formed the spearhead of Japan's export drive after the first oil crisis.

Attractive prices helped exports to grow by between 23 per cent and 52 per cent per year between 1976 and 1981. But this growth also began to elicit complaints from U.S. and European competitors from the late 70s onwards. MITI bowed to pressure from the U.S. by introducing a minimum pricing system, which has since been renewed at annual intervals. It extended the system in late 1980 to 15 European countries and has renewed it for 1982.

Exports accounted for about 35 per cent of the industry's total sales last year, in spite of the price controls, and for a considerably larger but not precisely estimable ratio of NC machine tool sales.

The Machine Tool Industry Association, however, sees the writing on the wall for overseas sales in the shape of a sharp drop in the European market last year by almost 50 per cent from a year earlier, with an impending downturn in many of the U.S. industries, such as motors and oil, which sustained its sales in the U.S. in 1981.

Combined with an uncertain outlook for capital investment in Japan these factors mean, in the association's view, that Japanese machine tool makers will be lucky to sell as many machines this year as they did last. This in turn means that some of the industry's smaller, or less export-oriented, companies may start to experience financial difficulties.

MITI, which has ample experience of dealing with industries which have got into difficulties by growing too fast, says it will try to "intervene" if conditions get very rough in the coming year. This is in spite of the general lack of success of past attempts at organising recession cartels or engineering mergers in the machine tool industry.

MITI officials are not exactly in despair about the problems facing the industry and their own limited capacity to help. The 1982 slowdown in machine tool sales will be nothing like as bad as the crisis which hit the industry in the first half of the '70s, when production fell by 35 per cent in value terms over two years.

On top of that, many leading machine tool manufacturers have links with major companies in other industries, which should help them sail through any difficulties. Examples of well-known companies with affiliations of this kind are Toyota Koki (with the Toyota group), Toshiba Kikai and Hitachi Seiki.

Once the machine tool industry has overcome the mini-recession confronting it this year, the industry will have to decide how to tackle longer term challenges.

One is how to respond to demands for a bigger direct involvement in the U.S. and European machine tool industries. So far only one Japanese company, Makino Milling, has had the courage to get involved in both the U.S. and European industries — in both cases by acquiring an equity stake in existing companies.

The second challenge is posed by the emergence of Flexible Manufacturing Systems (FMS) as a new industrial no man's land into which machine tool robot and computer manufacturers may all be tempted to advance.

One Japanese NC lathe manufacturer, Yamazaki Tekko has already equipped a factory with FMS systems and is operating without a night shift.

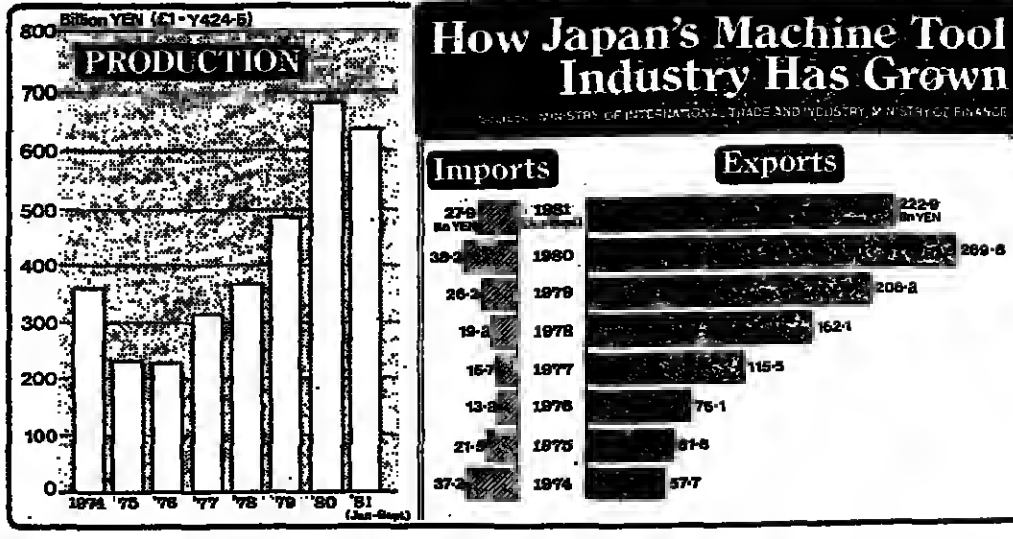
The boom in exports of complete FMS factories, which could result from this innovation, may eventually dwarf Japan's success with NC lathes and machining centres, but no one knows who will lead it. What can perhaps be guessed is that, in the race to enter the new era, Japan's hyper-competitive machine tool industry will become more competitive than ever.

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What can perhaps be guessed is that, in the race to enter the new era, Japan's hyper-competitive machine tool industry will become more competitive than ever.



Iran asks Japan for delay on payments for Bandar Khomeini

By Charles Smith, Far East Editor in Tokyo

IRAN has told the Japanese that it wants to defer repayment of principal on loans extended by Japan for the ill-fated Bandar Khomeini project, it was revealed yesterday.

The subject was raised in a letter to the president of the Iran Chemical Development Corporation (the Japanese shareholder in the joint venture project) by the chairman of Iran's National Petrochemical Company. The letter, which arrived in Tokyo on Tuesday, does not specify precisely which payments Iran wishes to postpone.

According to officials of Mitsui (the main shareholder of ICDC and the project's main promoter in Japan), repayments are due to start next month on three different loans. On February 12 Iran is due to make a ¥960m (\$2.2m) payment on a Japanese Government credit worth a total of ¥28.8bn, plus a ¥5bn payment on a ¥60bn direct loan from Japanese banks.

Later in February a payment of ¥2.5bn will fall due to the ICDC itself. This represents the first instalment of a loan whose total value is ¥12.5bn.

No direct approach on deferment seems to have been made by the Iranians, neither to the Japanese Government, nor to the Export-Import Bank, nor to commercial banks which provided two out of the three loans due for repayment.

Iran, however, is asking for an "early" meeting with Japanese representatives for talks on the future of the Bandar Khomeini project. At this meeting (if Japan agrees to attend) the Iranians can be expected to go into detail.

Iran's "sounding" on the deferment of loan repayments formed part of a letter in which the NPC chairman once again rejected Japanese demands for a decision on the Bandar Khomeini contract so as to have Iran shoulder additional costs resulting from the Iran-Iraq war.

The Mitsui group has been hinting that it will withdraw altogether from the project if Iran continues to reject contract revision. Yesterday, Mitsui said that it was considering how to react to the new Iranian letter.

Iran's religious leader Ayatollah Khomeini preached against pro-Western regimes in the region, he said, but "revolution is an idea which cannot be exported like a sack of apples or a barrel of oil". Iran would continue its verbal attacks on the conservative Arab regimes, primarily Saudi Arabia but would not go beyond verbal statements.



Left: Heng Samrin

Fighting flares on Kampuchea border

By David Butler in Bangkok

FIGHTING has erupted on Thailand's borders with Kampuchea between Vietnamese-led troops of the Heng Samrin Government and Khmer Rouge guerrillas close to the border.

Thai forces were on full alert to prevent any spillover of the fighting into Thai territory. Sixty stray Vietnamese mortars and shells landed in Thailand on Friday, seriously wounding a Thai girl.

A Thai military spokesman said that about 3,000 Kampuchean civilians—believed to be the wives and children of Khmer Rouge troops—had sought refuge along the canal which defines the border on Tuesday night.

Li Gen Som Khatsaban also said that another 1,000 Kampuchean, seeking sanctuary in Thailand when the fighting began on Saturday, were pursued by a company of Vietnamese-led troops. Warning shots fired by Thai forces turned back the pursuing troops, he said.

The fighting, just three miles inside Kampuchea, is the most intense since the beginning of the dry season in late November.

Journalists were banned from the border sites closest to the fighting, but Thai and Western military analysts believed that a force of at least 1,000 Vietnamese-led troops were directing artillery, mortar and rocket fire against the Khmer Rouge mountain sanctuary of Pnom Malai.

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Kuwait accuses Tehran of training terrorists

By James Dorsey in Kuwait

KUWAITI Foreign Ministry officials, citing information from Bahrain, where security forces discovered a plot to overthrow the Government last month, have accused Iran of training terrorists for infiltration in the Gulf.

Earlier this week the Arabic language daily Al Itihad in the United Arab Emirates reported that Dubai had arrested 13 armed Iranians trying to infiltrate the UAE.

Officials here claimed that Iranian Revolutionary Guards are training mainly South Yemenis in a camp near Tehran. Iran's ambassador to Kuwait, Mr Ali Shams-Ardakani, denied this but added that many people opposing the Gulf Governments from Gulf were being granted refuge in Iran.

He disclaimed any intention on the part of Iran to undermine the Gulf regimes, saying: "If we wanted to do so, we would have done it by now." The difficulties between Iran and the Gulf states were the result of a "linguistic problem," he said.

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Advertisement for CWM RHONDDA featuring musical notation and a list of brands: Dunlop, G Plan, Revlon, Berlei, British Airways, Hotpoint, Kraft, Kellogg's, Esso, Hoover, Sony, Metal Box, Ferranti, Ford. Includes text: Made in Wales. And there's room for many more. (many more). And there's room for many more.

Advertisement for THE ROYAL BANK OF CANADA (SUISSE) announcing the opening of its wholly-owned subsidiary. Text includes: The Royal Bank of Canada (Suisse) offers a full range of international banking services, supported by the resources of the fourth largest bank in North America. Rue Diday 6 - 1204 Geneva - Telephone: (022) 21 12 55. Case Stand 130 - 1211 Geneva 11 - Telex: 422147. January 1982.

AMERICAN NEWS

U.S. recession still short of trough, says Administration

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

U.S. GROSS national product dropped sharply at an annual rate of 5.2 per cent in the fourth quarter of last year, following a 1.4 per cent increase in the third, confirming the depth of the current recession, the Commerce Department reported yesterday.

Levesque fights to regain control of party

BY ROBERT GIBBENS IN MONTREAL

THE separatist-minded government of Mr Rene Levesque, the Quebec Premier, is in trouble less than a year after its re-election for a second term.

The economy of Canada's second largest province is in deep recession. Mr Levesque has failed to halt the onward march of Prime Minister Pierre Trudeau's constitutional legislation through the National Assembly and a five-day strike by workers on the Montreal bus and subway systems has yet to be resolved.

Mr Levesque has also been forced to take unusual steps to re-establish his ascendancy within the Parti Quebecois, of which he has been president since it was formed from several separatist groups in the late 1960s.

He is in the midst of a postal referendum among 800,000 party members. He is asking for an unequivocal commitment from them that Quebec's independence should only be achieved by democratic means, keeping economic association with the rest of Canada and assuring minority rights.

Strikers who have halted Montreal's bus and underground systems for five days were warned by Mr Rene Levesque, the Quebec Premier, yesterday, that they faced severe measures unless they returned to work, Reuters reports from Quebec.

Members of his Parliamentary caucus that they should resign if they cannot accept the Government's gradualist policy on independence and set up their own party.

Quebec's economy, based on resources and manufacturing and service industries of the Montreal area, has plummeted since last summer because of record Canadian interest rates and the general recession.

The principal primary industries, lumber, pulp and paper, asbestos, iron ore, aluminum and base metals have been hit sharply by declining world demand and low prices.

At the Party convention before Christmas, Mr Levesque and the architects of the gradualist approach to the goal of separation had a rude shock. In a three-day marathon, they were availed with motions from the extreme wing of the Parti Quebecois calling for the next election to be fought on the straight issue of separation, and dropping the concept of "sovereignty-association" or political independence within a

with a stagnant tax base, has been running widening deficits. For the year ending in March 1982, the budget deficit will be about \$3.5 billion (\$1,550m), or twice that of Ontario, also in the grip of recession.

The public widely believed Mr Jacques Parizeau, the province's Finance Minister and best known economist, could safely be left in charge of the public purse and economic policy. But it is now asking serious questions.

Mr Parizeau blames the world recession, cuts in Federal transfers to the provinces and the public-sector unions for continuing budget deficits and cuts in social services. He has asked the public-sector unions to cut their demands because the province cannot afford them. His November mini-budget raised Quebec petrol prices to the highest in Canada, by doubling the Provincial Retail

Tax and increased some indirect taxes. He has changed the capital structure of Hydro-Quebec, the Provincial electrical utility, so that it will pay dividends to the Province in 1982-83.

The two big U.S. rating agencies, Moody's and Standard and Poor's, have renewed their double "A" status for Quebec and Hydro-Quebec U.S. and Eurodollar bond issues, but they will look again when the full budget comes around this spring.

The confrontation with the transit unions is just a taste of what is to come. Contracts expire soon with about 200,000 public-sector workers, and the unions have indicated they expect wage increases sufficient to keep them up with the average year-on-year Canadian inflation rate of between 12 and 13 per cent.

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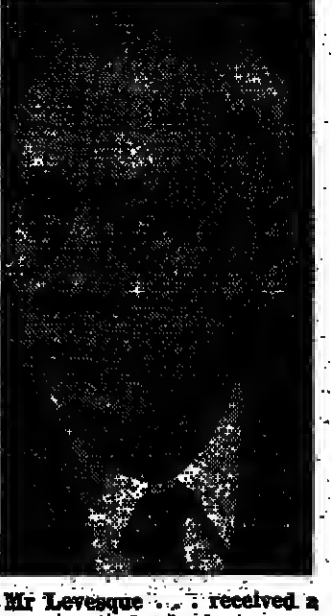
Canadian common market. A former Front de Liberation du Quebec terrorist was greeted as a hero.

Few ministers were ready with tactical ripostes, and one of the memoranda speeches in defence of moderation came from Mr Jean Francois Bertrand, the youthful Minister of Communications, and son of former Quebec Premier Jean Jacques Bertrand.

The activists had their way, and Mr Levesque replied with his referendum to be completed by early February. It asks Party members to reaffirm that sovereignty must come with economic association. Must have a clear majority of the popular vote and not just of seats in the National Assembly.

The Parti Quebecois was a handsome majority of the provincial assembly seats in both 1976 and 1981, but both times fell well short of a majority of the popular vote. Mr Levesque is also asking party members to recognise the established minority rights of the English speaking 20 per cent of the population.

About 50,000 votes have been returned so far and Mr Levesque has said he expects at least 100,000. If he does not get the support he seeks, he has threatened to resign as Premier and President of the



Mr Levesque received a rude shock.

Parti Quebecois. With his great personal popularity, he will probably win, and also strengthen his position in the coming confrontation with the public sector unions.

Similar problems helped bring down the Quebec Provincial Liberals under Robert Bourassa in 1976. But Mr Levesque's real problem is that militants may argue the large number of party members not sending in their votes will amount to a serious loss of confidence in his government and in his policy gradualism.

Shipowners fear threat to federal subsidies

BY ANATOLE KALETSKY IN WASHINGTON

PLANS TO accelerate the phasing out of Government subsidies to U.S. shipping lines may be among economy measures contained in the 1983 budget now being prepared by President Reagan, according to reports emerging from the Administration.

Costs dispute expected to delay Yacyreta scheme

BY JIMMY BURNS

A DECISION on the future of the \$1.0bn (\$3.2bn) Paraguayan-Argentine Yacyreta hydroelectric project on the Parana River is likely to be delayed further because of disagreements over costs between the binational corporation and the World Bank, one of its major creditors.

After more than a year of protracted negotiations the joint Ente Binacional Yacyreta recommended in November that the major civil works contracts should go to Impregilo SPA of Italy.

But the World Bank which, with the Inter-American Development Bank and the Export-Import Bank of the U.S., has agreed to finance parts of the project, is believed to have objected on the grounds that the bid was too high.

Reagan team considers Law of Sea

By David Tonge

THE U.S. will today decide how far it will risk the anger of more than 150 countries by continuing to oppose adoption of a treaty on the Law of the Sea.

President Reagan is due to preside at a meeting with officials who have been reviewing the treaty negotiated over the past eight years. European countries have been lobbying Washington to discourage the administration from backing out.

Even last month U.S. officials were openly questioning the possibility that the U.S. might still withdraw.

\$1.5bn international aid package for Central American states

BY HUGH O'SHAUGHNESSY

A group of international agencies is attempting to put together a \$1.5bn (\$790m) emergency aid package for central America. Several of the countries in the region are facing immediate economic paralysis because foreign exchange for oil purchases has run out.

The aid should channel funds to the energy, transport and telecommunications sectors. It is unlikely to provide immediate balance of payments relief for the hardest pressed countries, such as Honduras, but is being welcomed as a sign of international concern over the deterioration in central American economies.

The gravity of the foreign exchange crisis was highlighted earlier this week when Sir Robert Mondragon, the Honduran Trade Minister, said that all but 35 of the country's 210 petrol stations

Shipowners fear threat to federal subsidies

had run out of fuel and the rest would have run out by today.

Road transport and some factories have already been severely hit. Mr Mondragon said that "a banking error" meant that Mexico and Venezuela, which together supply Honduras with 140,000 barrels a day of oil at concessionary rates, had not been paid. Honduras is now seeking oil from El Salvador and Panama, themselves oil importers.

The Inter-American Development Bank (IDB) recently held talks with the World Bank, the International Monetary Fund, the United Nations Economic Commission for Latin America, the Central American Bank for Economic Integration and the UN Development Programme, in a bid to assist Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama with their foreign exchange difficulties.

Such is the absence of foreign exchange in Costa Rica that the Central Bank has missed a number of interest payments on its foreign debt.

Reagan team considers Law of Sea

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Last spring the Reagan Administration announced abruptly that it would not be bound by agreements reached by Presidents Nixon, Ford and Carter. In the autumn it spelt out its anxieties, which are concentrated on the regime to be set up to mine the millions of tons of manganese, nickel, copper and cobalt on the deep seabed.

At the same time the French airline cut its economy class fares by 10 per cent and announced two new discount fares between France and Scandinavia at rates which would be 42 per cent and 67 per cent cheaper than its new economy class.

Graviner deal for Harrier fire detection system

By Our Aerospace Correspondent

GRAVINER, part of the Safety and Protection Division of Wilkinson Sword group, has won a contract to supply fire detection equipment for the U.S. Marine Corps.

Mr Charles D. May, Graviner's marketing director, said that although the company's fire detection systems were used by most of the world's major aircraft manufacturers, "this is the first time a Graviner system will have been used on a high performance U.S. military aircraft."

Britain remounts attack on Japan trading policy

BY PAUL CHEESBRIGHT

THE UK Government yesterday remounted its attack on Japanese trading policy when Sir Geoffrey Howe, the Chancellor of the Exchequer, said the concentration of Japanese exports in a few key sectors "is not an acceptable trading pattern."

His general criticism of Japanese policy showed that the high level meeting last weekend in Key Biscayne, Florida, had had only a marginal effect on reducing trade tensions between the powers represented there—the U.S., EEC countries, Japan and Canada.

But Sir Geoffrey's reiteration of the salient points of British concern about Japan illustrated the Whitehall feeling that Tokyo would make concessions to the Western point of view only if subject to sustained pressure.

He told the Institute of Export in London that with low inflation and low interest rates Japan had room for manoeuvre "to generate an appropriate level of domestic demand" and should allow the yen "to reach a value which fully reflects Japan's competitive performance."

Homes projects worth £258m in Singapore

SINGAPORE — A French and an Australian company have signed separate contracts with the state-owned Housing and Development Board (HDB) to build pre-fabricated apartments worth \$518m (£258m) in the next six years.

White Industries of Australia and GFM-Colnet of France would build 15,000 apartments each, Mr Michael Fam, the HDB chairman, said.

Under the contracts, the largest awarded by HDB, the French and Australian companies will build two large factories to manufacture pre-fabricated units. The factories will be handed over to HDB after the completion of the site's Agencies.

Nestle rejects claims on baby food marketing

BY JOHN WICKS IN ZURICH

THE NESTLE group has denied claims made in a Zimbabwean Government publication that it has contravened guidelines issued by the World Health Organisation (WHO) on the distribution and marketing of baby food.

The report, issued by the Zimbabwe Ministry of Health, states that Nestle has distributed advertising material and free samples of its baby food throughout the country.

English, in which instructions for use of the baby food are written, is said to be the mother tongue of only 1 per cent of the country's population, while only 10 per cent of the rural Zimbabweans had access to clean water.

In a reaction from Nestle group headquarters in Vevey, the Swiss company speaks of "polemic attacks" on its food subsidiary—Food Specialties (FVT) Limited. Free samples, says Nestle, have been distributed only to health centres.

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WORLD TRADE NEWS

BAe seeks Norwegian missile contract

By Our Nordic Editor

BRITISH AEROSPACE'S Rapier missile is competing with the improved version of the U.S. Hawk and France's Roland for an order from Norway for ground-to-air missiles. The order could be worth as much as Nkr 2bn (£180m) spread over five years.

The Defence Ministry in Oslo hopes to place the contract for a new low-level air defence system for Norway's airfields before the end of March.

Norway had chosen the Roland Two, the advanced version of the French missile developed in the U.S., but had to look for an alternative when the Reagan Administration decided not to buy the advanced Roland for the U.S. Army.

The minority Conservative Government which took office last October has been completing arrangements started under the previous Labour Government to facilitate the reinforcement of Norway by Nato forces in a crisis. Plans to stock equipment in Norway for a U.S. marine brigade and a Canadian battalion have recently been finalised.

Nato has long signalled the need for better defence of the Norwegian airfields. Norway is buying 73 F-16 fighter aircraft from the U.S. but needs to modernise airfield defence against low-level attack.

The Norwegian forces have previously operated old Hawk missiles and the improved Hawk is seen as the forerunner in the contest for the new defence system. But some officers in the air force procurement organisation are understood to favour the Rapier.

Olivetti in deal with Israel bank

OLIVETTI International has signed a deal worth more than \$10m (£5.5m) with Israel's Bank Leumi to computerise all its branch operations, David Lennon reports from Tel Aviv.

This is the biggest order placed in the Israeli civilian market for computer terminals, according to Mr Salomon Sawalsky, general manager of the Delta Trading Company, Olivetti's subsidiary in Israel.

The Italian company is to provide 1,500 work stations to automate Bank Leumi's 330 branches in Israel.

SAS, Air France seek end to row

BY WILLIAM DULLFORCE IN STOCKHOLM

A FURTHER round of talks to resolve the continuing air fares dispute between Scandinavian Airlines System (SAS) and Air France will open in Paris on Friday. The call for the talks was made by Mr Ole Ulstein, Sweden's Foreign Minister.

In the meantime Air France is postponing the fares cuts on its Scandinavian routes which it announced last week and which threatened to spark off a price war between the two airlines.

The Scandinavian team to the Paris talks will be led by Mr Ulf Dinkelspiel, deputy permanent under-secretary at the Swedish Foreign Ministry. He will be accompanied by senior Norwegian and Danish officials.

The row started when SAS introduced its new "Euroclass" service on its European routes on November 1. The Euroclass offers a much improved service, including separate waiting lounges at airports and greater leg-room and free drinks on board aircraft, for travellers paying full economy-class fares.

SAS insisted that the Euroclass conformed to the specifications for economy fares laid down by the International Air Transport Association (IATA). Air France claimed that the Euroclass provided a service comparable with its own "Class Affaires" which was priced 18 to 20 per cent higher.

The French airline stopped booking passengers on the Euroclass in France. SAS retaliated by booking only discount advance purchase excursion (Apex) fares for Air France in Scandinavia.

Last week Air France reduced prices for Classe Affaires on its Scandinavian routes to the levels of those charged by SAS for its Euroclass.

At the same time the French airline cut its economy class fares by 10 per cent and announced two new discount fares between France and Scandinavia at rates which would be 42 per cent and 67 per cent cheaper than its new economy class.

SAS was warned that its flights to France would be stopped if it responded by cutting its Euroclass rates 10 per cent to correspond to Air France's new economy class.

The SAS management was preparing to do this when Mr Ulstein proposed to the French Foreign Minister that top officials try to find a solution.

Airbus Industrie raises output

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIRBUS INDUSTRIE, the European consortium building the A-300 and A-310 Airbus, in which British Aerospace has a 20 per cent stake, is steadily expanding its production to meet an increasing order book.

With a recent order for two A-300 Airbus from Air Jamaica, the total order book is 505 aircraft (346 firm and 159 options), of which so far 158 have been delivered.

At a time when some other major aircraft manufacturers are reducing production to cope with a decline in new orders, Airbus Industrie pushed its production rate up last year from 3.6 to 4.2 aircraft a month.

Investment boost for Indonesia oil industry

BY RICHARD COWPER IN JAKARTA

FOREIGN OIL companies are continuing to invest in Indonesia's oil and gas industry at record levels.

Pertamina, Indonesia's state-owned oil company, recently signed its first oil and gas production sharing contract of 1982 with a small U.S. company from Texas. The contract, which could be worth up to \$27.5m to Indonesia, brings to ten the number of production sharing contracts signed by Pertamina with foreign oil companies in the last 12 months.

In 1981 foreign oil companies are understood to have spent a record \$3bn-plus on exploration, production and development—up around 40 per cent on expenditures in 1980.

This high level of expenditure is expected to continue and should maintain Indonesia's position as the largest exporter of oil and gas between the Persian Gulf and the U.S. west coast.

In the last year alone 11 foreign companies signed new contracts with Pertamina for ten blocks under which they agreed to spend not less than \$568m on exploration over the next eight years. These companies, the majority of them in the U.S., gave Pertamina a record \$114m in so-called information bonuses and promised to pay the state company further bonuses of up to \$400m if production reached specified levels.

The most recent deal signed with Tesoro Corporation of San Antonio, Texas, by Dr Subroto, Indonesia's Minister for Mines and Energy, and Lt-Gen Judo Sumbono, president director of Pertamina, was for a 240-sq-kilometre block on and around the island of Tarakan near the border with the Malaysian state of Sabah.

Indonesia has issued new regulations to boost declining non-oil exports. The 19 regulations include a 24-hour clearance service at customs offices, lowering of tariffs by 50 per cent for portside calls, and a 20 per cent reduction of warehouse charges.

Other regulations involve a 6 to 12 per cent reduction of the interest rate from Bank Indonesia (central bank) for export credits.

Concor and Skanska to build road in Paraguay

By Bernard Simon in Johannesburg

CONCOR CONSTRUCTION of South Africa, in partnership with Skanska, a Swedish company, has been awarded an \$80m (\$42m) road and bridge building contract by the Government of Paraguay.

The contract is for the construction of 144 km of road between Foz Colorado and Concepcion, linking the Gran Chaco farming region to the Paraguay-Bolivia highway. The route includes a 12 km bridge across the Rio Paraguay. Completion is scheduled for 1988. Details of the project's financing have not been disclosed.

South Africa has close political links with Paraguay, and a number of South African companies became involved in projects there following a visit by then Prime Minister John Vorster to Asuncion in the mid-1970s.

Concor is already active in South America. It is a member of a five-nation consortium, which includes Skanska, building the \$500m Majes irrigation project in Peru. An associate company, Concor Mining and Engineering, is prospecting for minerals in several South American countries.

Britain remounts attack on Japan trading policy

BY PAUL CHEESBRIGHT

THE UK Government yesterday remounted its attack on Japanese trading policy when Sir Geoffrey Howe, the Chancellor of the Exchequer, said the concentration of Japanese exports in a few key sectors "is not an acceptable trading pattern."

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Companies in West Midlands offered subsidised loans

BY LORNE BARRING

A SCHEME to provide cheap loans for industry in the West Midlands was launched yesterday by the Industrial and Commercial Finance Corporation (ICFC) and the county council.

The ICFC loans will include a 5 per cent interest rate subsidy from the council. But the council insists that one job has to be created for every £25,000 of subsidised borrowing and funds must be spent on capital investment.

ICFC, which will provide the loans on normal commercial criteria, will benefit by effectively being able to offer money at an interest rate of 15 1/2 per cent instead of its present commercial rate of 18 1/2 per cent.

Mr Geoff Edge, chairman of the council's economic development committee, said the council would gain by being able to stimulate industrial investment and create jobs at low cost without putting ratepayers' funds at risk because these would not be directly involved in lending.

Announcing the names of the first three companies to receive the loans, Mr Edge said a number of other councils had sought information on how to offer similar aid.

The three companies are Cameron Robb, which has bought a factory in Birmingham; Ashley Steel (Midlands), a

stockholder investing in sitting equipment, and Medipian Engineering, which is moving to new premises and buying new equipment.

Cameron Robb will receive a £30,000 loan on which the interest rate is being subsidised over five years. The company is a subsidiary of more than £20,000. Cameron manufactures wire work products such as cooking utensils.

The three companies are creating 37 jobs and going ahead with investment totalling £425,000 of which £190,000 is subject to interest relief from the council. The remaining funds do not qualify for subsidies.

Mr Edge said aid for the three companies would cost the council £46,000 over the five-year loan period, or about £1,200 per job, which he regarded as a good return on investment.

With jobs in the Midlands being lost at the rate of between 3,500 and 5,000 a month, it is vital that the private and public sector should come together to encourage capital investment.

A total of £500,000 has been approved by the Labour-controlled council's finance committee in loan subsidies. But because this sum comes from a 1 1/2p in the pound supplementary rate which is being challenged in the courts, the scheme could be endangered, Mr Edge said.

Decline in pre-tax profit of textile producers

By Nick Garnett, Northern Correspondent

PRE-TAX EARNINGS of companies in textiles, clothing and allied manufacturing fell by a third last year, according to a survey of 180 public companies by F. W. Tattershall, textile consultants.

The sectors most severely affected by the trading decline were carpet-making and by the spinning and weaving of cotton, wool and allied fibres. Clothing manufacture and hosiery and knitwear suffered substantial but less acute falls in earnings.

Companies selling clothing and carpets fared best. Even here, however, total profits showed a slight fall.

The 180 companies' pre-tax earnings fell to £295m last year from £402m in 1980, the survey showed. The average dividend they paid fell from more than 17 per cent to 15 per cent. Pre-tax earnings of the 18 vertically integrated groups surveyed fell from £204m to £74m.

The 11 carpet makers' £12m profit in 1980 fell to a £696,000 loss.

Port chief sets sights on tough profits target

FOR someone keen on hunting 'shootin' and fishin' as an escape from workaday stresses, Mr John Black is pursuing an unusually tough quarry. The new chief executive of the loss-making Port of London Authority is striving to meet the Government's target of break-even by the end of this year.

The type of game 56-year-old Mr Black normally has in his sights are pheasant, Scottish deer, Swedish elk or sea trout and salmon. Born just south of the border of Scots parents, he joined the PLA from the Admiralty 18 years ago.

He took over as chief executive on January 1 after the PLA decided to streamline its management. He was formerly managing director, a post now eliminated.

Mr John Presland, the former chief executive and slightly younger, is to retire early now the PLA has decided it does not need two top decision makers.

Both London and Liverpool port authorities have been told by Mr David Howell, the Transport Secretary, that there will be no government money to cover their deficits after this year. They have to produce action plans on how they intend to meet his break-even deadline.

Since both ports have recently produced comprehensive long-term plans, they were hoping for more breathing space and were clearly taken aback by Mr Howell's stiff target. The PLA lost more than £19m in 1980 and would have liked to

Andrew Fisher meets John Black, new head of the loss-making Port of London Authority

have had until 1984 or 1985 to start making money again.

Mr Black is hopeful, nonetheless, that the losses will have almost disappeared by the end of the year, apart from the cost of paying more dockers than it needs under the national scheme which gives them jobs for life.

"We are in a winnable position," he said this week. But achieving the Government's deadline would be "almighty difficult." Britain's numerous ports are in tough competition in the recession and the PLA still has further to go in its cost-cutting exercise.

London has reduced its labour force dramatically in recent years and employs less than 5,000 dockworkers against well over 20,000 in the mid-1960s, when the upriver docks were crammed full of general cargo ships.

With more cargoes being carried in steel containers and the EEC accounting for more business, the emphasis at the PLA has shifted 15 miles down the River Thames to the more modern facilities of Tilbury. From his base there Mr Black

works an 11-hour day on the problems and operations of the PLA, which closed the last of its upriver docks, the three Royal Docks, last autumn.

These were losing more than £60 a year and the tonnage handled was tiny compared to the levels of 20 years ago. The Royal Victoria Dock had opened in 1955, followed 25 years later by the Royal Albert. The George V was 60 old.

Since there are more than twice as many foreign shipping companies using the PLA as British ones, a reversal of the position a decade ago, the port has to market its services aggressively around the world.

And any business that London manages to win, said Mr Black, "has got to be business now coming into the country somewhere else." There will not, he noted, "suddenly be half a million tons of cargo springing up from nowhere."

Much of Mr Black's confidence in the PLA's "winnable position" stems from London's strategic position in the South-East. Up to 60 per cent of Britain's sea trade flows across the southern North Sea, right on the port's doorstep.

"London is in a tremendous position. It is close to the EEC and at the centre of a population of 17m people, a third of those in the UK."

But Mr Black's confidence will be tested severely in this and coming years. The port has a heavy debt burden of some £100m and while losses eased



Mr Black... stiff challenge

heavy debt burden. Most of the £100m or so of debt is owed to the Government. But a look at the balance sheet suggests that about half of this relates to borrowing to help finance severance payments or to build dock facilities which are now obsolete.

It remains to be seen whether the Government will agree to write off part or all of this. "Unless," said Mr Black, "there is some alleviation of this sort of burden, we shall not be able to move to a more to a more profitable and viable basis."

Unlike some continental countries the UK has no national ports or maritime policy. Many European ports receive financial assistance for maintenance and development, and efforts at harmonising EEC policies on port subsidies have yet to bear proper results.

"It is very difficult for London or other British ports to compete in the European market." Even within the UK, the fight for business is strenuous. "The UK has too many ports. Shipping companies play one off against the other."

But Mr Black does not blame them for this. He is concerned, though, that the PLA should provide a high level of service without seeing its costs soar again.

The next year or so will prove whether determination and hard work are enough to sort out the PLA's awesome problems.

Peterborough Council 'could save £1m now'

BY ROBIN PAULEY

A SMALL team of businessmen who have spent six months examining Peterborough City Council's financial management, claimed yesterday that the authority is overmanned, inefficient and could save £1m immediately.

The four-man team was established at the instigation of Dr Brian Mawhinney, the city's Conservative MP. He was worried by the fact that the Labour-controlled council's rate was 57 per cent above the average for English shire districts and Peterborough's housing management and maintenance costs were 46 per cent above the national average.

Mr Charles Swift, Labour leader of the council—who cooperated with the investigation—said he was "satisfied that much of the criticism is justified."

The report says: Council staff and manual workers are being paid £1.5m a year in overtime—equivalent to a fifth of the total rate. Loans at 6 per cent to 180 staff for buying cars are unjustified.

Debate is "abysmal" and financial understanding among some councillors is low.

Council accommodation is used inefficiently. Job recruitment should be banned and a scheme of voluntary redundancies introduced.

The financial management and general administration should be reorganised. Some services, such as refuse collection, should be put out to private tender.

The report says the city council is operating less efficiently than private industry. Although some efforts had been made to minimise costs no major cost-cutting exercise had been undertaken.

Wages, salaries and benefits accounted for £7.5m on the 1980-81 revenue account out of general rate fund expenditure of about £12m. At least £1m could be saved immediately.

Dr Mawhinney said the report showed that the city was charging unnecessarily high rates which were jeopardising jobs and industry.

Blow to the confidence of a fledgling industry

TWO WEEKS ago the general manager of an 18-month-old Belfast company, CP Trim, was discussing the company's strategy to diversify from total dependence on what has been its only customer, a few miles away at Dummurry.

At that time, Mr Clarke Morrison was setting out the company's plans in pragmatic terms as the prudent course for any company to take.

"Now we're sweating," says Mr Morrison. CP Trim is the sole supplier to the De Lorean sports car company of its leather seating and interior trim. De Lorean's output has been cut from 400 cars a week to 200. If De Lorean fails to get extra financial help and output remains depressed, CP Trim faces the prospect of short-time working and redundancies before its plans can get off the ground.

CP Trim illustrates both the potential and the pitfalls facing Ulster's fledgling car industry. Without De Lorean CP Trim and the 220 jobs it provides would not exist. Nor would perhaps the same number of jobs scattered among other, older-established companies which have taken on extra staff to handle De Lorean business.

Two months ago those Ulster concerns which had decided to roll with the seeming De Lorean snowball were congratulating themselves on their foresight compared to others who had been more hesitant—early scepticism about the project was by no means confined to the back benches at Westminster.

Now, while nobody expects the De Lorean project to fold up, a great deal more caution is being expressed about investment related solely to De Lorean.

It is an attitude likely to continue until it is clear how sport car sales perform in the predicted sales upturn in the spring and to what extent momentum is sustained through the autumn. With the notable exception of CP Trim, which sprang into being overnight with a £10m turnover on the back of De Lorean, the involvement of Northern Ireland companies in

John Griffiths assesses the impact which De Lorean's fortunes could have on industrial morale in Northern Ireland.

the project is, in financial and employment terms, small compared with the mainland, and even the Continent. About 50 per cent of components by value are sourced in the UK. But major components such as the chassis come from GKN in Britain. The engine and gearbox are supplied by Renault.

Teneco-Walker's Belfast plant makes the car's silencer, mated to piping from its Burnley factory. The 30-odd jobs created by the company recently reflect increased orders from volume manufacturers such as Ford as well as De Lorean. Goodyear's plant at Craigavon makes a number of mechanical components and De Lorean has become an important customer. It has saved some jobs if it has not created any.

But apart from subsidiaries of larger British companies, there have been many small, Ulster-based and privately owned companies to which De Lorean is a windfall market for virtually everything required to keep a large factory running from curdles to sub-contracting for the degreasing of body shells. The jobs might have been added in handfuls, but they are regarded as of symbolic importance as much as financial.

Northern Ireland is grappling with unemployment problems much worse than the mainland—21 per cent overall and far higher in many Catholic areas. The jobs created by new companies, such as the Learvania and even light aircraft concern and even De Lorean, represent only a slowing of overall job losses in its traditional manufacturing industries.

For that reason De Lorean has become something of a show-piece to demonstrate that a substantial project can be brought to Ulster and made to work.

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Mapping the ocean floor

For years Britannia ruled the waves. Now through a majority investment in Ocean Data Systems Inc. (USA) and its wholly owned subsidiary, Global Weather Dynamics Inc., IAL is about to gain new market opportunities in oceanography, meteorology and digital colour graphics display systems.

A new era in air traffic control

Last October, the UK Civil Aviation Authority awarded IAL the contract for equipping the London Air Traffic Control Centre with a microprocessor-based voice communications system, IAL Stratus. This will help to achieve even higher standards in safety and efficiency.

The £150m medical services contract

Through its associates, the International Hospitals Group, IAL has already started work on a massive £150m medical services contract for the Saudi Arabian National Guard.

The hotel run by computer

During the past year IAL has masterminded and financed the development of Maxial, a totally new computer based hotel management system. This technology will meet the increasingly sophisticated demands of the hotel and leisure industries, on a worldwide scale.

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While cut-backs are the talk of other boardrooms IAL continues to expand.

In August our Data Communications Division will be opening a new factory complex near Basingstoke.

Naturally, we are involved in many more new developments: for example, satellite ground processing systems and fibre optics. Of course, there are other projects of a sensitive nature that also hold great potential for the company. And thus for the economy.

If you're interested in more facts and figures our Company Secretary will be happy to post you a copy of our Annual Report.



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UK NEWS

Court move against Mason unopposed

By Raymond Hughes, Law Courts Correspondent
MRS PAMELA MASON did not oppose a move in the High Court yesterday to take out of her hands the administration of the estate of her father, Mr Isadore Ostrer...

Marconi to sack 750 with loss of Sea Wolf contract

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT
THE MARCONI company has announced that 750 jobs are to be lost at two of its plants because the Ministry of Defence has cancelled the final part of an order for tracking and surveillance radar for the Royal Navy's Sea Wolf missile.

Pressure on BNOC to trim oil prices

By Ray Oatler, Energy Editor
THE British National Oil Corporation is coming under renewed pressure to reduce North Sea oil prices following a marked fall in spot market rates.

Sizewell B inquiry delayed to allow scrutiny of evidence

BY DAVID FISHLICK, SCIENCE EDITOR
THE Government has delayed a start to the public inquiry into the Sizewell B nuclear project until early January next year, to give witnesses at least six months to examine key documents before the inquiry.

Royal Navy cruiser sold to Pakistan

THE GOVERNMENT yesterday announced the sale of one of the Royal Navy's light cruisers, the London, to Pakistan as part of its drive to cut defence costs.

Scottish ethylene plant may shut

BY SUE CAMERON, CHEMICALS CORRESPONDENT
BP CHEMICALS may shut one of its giant petrochemical plants at Grangemouth in Scotland unless the Government provides tax concessions on its gas feedstock.

High production

If the present glut in world oil supplies continues, BNOC may be forced to trim contract rates for the April-June quarter. Such a move would reduce the costs of UK refiners and help keep down the price of petrol and other products.

Table with 2 columns: Milestones for Sizewell B project, Dates. Includes 'Publication of pre-construction safety report' and 'Start of construction'.

De Lorean in talks over mounting cash crisis

BY OUR BELFAST CORRESPONDENT
MR JOHN DE LOREAN, chairman of the Government-backed sports car company, yesterday had two hours of talks in Belfast with senior Northern Ireland Government officials about the company's mounting cash problems and the slump in U.S. car sales.

Aviation safety

AVIATION safety improved in 1981 in terms of people killed in air crashes, according to a survey compiled by Flight International.

Construction orders

NEW ORDERS received by the construction industry were down 11 per cent in the three months September to November but were 9 per cent higher than in the comparable 1980 period.

Computerised job service launched

BY JAMES McDONALD
A COMPUTERISED job-hunting service—matching individual professional and executive requirements with recruitment advertisements in British and overseas publications—is being offered by a new company, Data-search Services.

Clothing jobs cut

TWO HUNDRED workers at the Derwent Jennings clothing factory at Barrow in Furness, Cumbria, are to lose their jobs in May.

Milk Board finds use for whey

BY DAVID FISHLICK, SCIENCE EDITOR
WHEY, a by-product of cheese manufacture, is to be converted into a human food additive using a biotechnology process the Milk Marketing Board is commissioning in Aston in Cheshire.

Legal information

WESTLAW, the on-line legal research service of West Publishing of St Paul, Minnesota, and Euralx, the UK-based system of the International Thomson Organisation, have undertaken to make available to their respective subscribers the other's full-text legal database.

SALEROOM

BY ANTONY THORNCROFT
KOPMAN, the London dealer, paid \$5,940 for Christie's yesterday for a George II vase, an ornamental centrepiece, weighing 183 oz and probably the work of William Cripps.

Plans to introduce work permits divides Guernsey community

Edward Owen reports on the issues separating business from the unions
GUERNSEY'S parliament will decide next week whether to take a step advocated by some islanders for many years and strongly opposed by the local business community—the introduction of work permits for all newcomers, including those from the UK mainland.

Ezra calls for urgent drive in West to speed switch from oil to coal

BY MARTIN DICKSON, ENERGY CORRESPONDENT
INITIATIVES by Western governments to encourage industry to convert its boilers from oil-firing back to coal are needed urgently, Sir Derek Ezra, chairman of the National Coal Board, said yesterday.



Sir Derek Ezra (centre), chairman of the National Coal Board, with Mr Francesco Corticelli (left), chairman of ENEL and Dr Ulf Lantize, director of the International Energy Agency, yesterday.

to 1990 to meet an export level of 93m tonnes by the end of the decade. Mr Garnet Page, president of the Coal Association of Canada, said huge \$18bn capital investment would be needed in the 1980s to increase the capacity of the country's two major railways if Canada was to meet the projected large increases in export demand for coal and other products.

Council ordered to reinstate sacked catering women

BY JOHN LLOYD, LABOUR CORRESPONDENT

A BIRMINGHAM industrial tribunal has told Walsall Council that it must reinstate four sacked catering women for refusing to join an appropriate union.

The council immediately said it would not give the women their jobs back. Mr Brian Powell, the council leader, said: "We are not prepared to re-employ four and have four dismissed (the size of Walsall's manual labour force) out on strike."

All four women—Mrs Doris Todd, Mrs Wendy Chit, Mrs Gloria Price and Mrs Irene Russell—said that they wished to be reinstated. Mrs Chit told the tribunal that she "would not join a union at any price."

The council signed a closed shop agreement last June with its manual workers—the National Union of Public Employees and the General and Municipal Workers Union.

The tribunal has given the council two months in which to consider reinstating the four women. However, the council said last night that the decision

Manpower scheme to cut jobless in London

BY OUR LABOUR CORRESPONDENT

THE GREATER London Council is to set up a Manpower Board, aimed at reducing the city's 226,238 unemployment total.

It will work closely with the Greater London Enterprise Board which was started by the GLC to encourage new enterprises in the capital.

The Manpower Board's work will involve preparing a scheme for London and boosting training provisions.

Sir Ashley Bramall, former chairman of the Inner London Education Authority, will be chairman of the board.

He said yesterday that the board's first task will be to study the concentration of unemployment in inner London, especially in Dock-

TUC to study action on reforms

BY CHRISTIAN TYLER, LABOUR EDITOR

THE TUC is calling a special conference of union executive committees on April 5 to decide whether to use the strike weapon against the Government's new labour laws.

The last such conference was held in 1969 to discuss the then Labour government's "In Place of Strife" proposals which were subsequently ditched.

With union leaders stepping up the pressure for a programme of retaliation, the TUC was challenged at a House of Commons Select Committee yesterday to say whether it intended to break the law.

In answer to Mr John Gorst, Conservative MP for Hendon, North, Mr Len Murray, TUC

General Secretary, replied that trade unions respected the law.

"We don't set out wantonly and deliberately to flout the law," Mr Murray said. But if the law prevents trade unionists from exercising their proper functions "they will say 'I cannot live with this law' and we shall take the consequences of what flows from that."

A preliminary discussion of the tactics the unions will employ was held by the TUC's Employment Policy and Organisation Committee yesterday. Proposals will be worked out in detail next month and put to the special conference in the Wembley Centre, North London, where some 1,500 delegates will

decide whether industrial will be taken.

Focus of the unions' hostility is the Employment Bill exposing trade union funds to civil suits for damages and further loosening the closed shop. It is due to be published in 10 days.

The General and Municipal Workers Union has said that the TUC should co-ordinate protest action throughout an entire industry if one employer in that industry sues a trade union. This is the principle tactic for debate and looks likely to command wide support.

The TUC is also being asked to mount short general strikes lasting perhaps an hour or a day at a time.

It may contribute to the legal

expenses of trade unions sued by employers and indemnify them against damages. Some unions want a special fund.

The question of penalising unions that disobey the TUC's advice or instructions was raised yesterday. But some union leaders thought that was an unnecessary and possibly divisive step to take.

There are moves to pull the TUC's six representatives off the National Economic Development Council in protest at the CBI's support for legislative curbs on the unions. General Secretaries are more wary of this idea in case it might disadvantage the unions more than the CBI or the government, its partners in the NEDC.

Union seeks talks on Royal Bank merger bids

By Brian Groom, Labour Staff

THE BANKING Insurance and Finance Union (Bifu) plans to meet all the banks involved in the two thwarted £500m bids for the Royal Bank of Scotland Group.

Bifu, which did not oppose a merger with an international bank, is concerned about new uncertainties created by the Government's decision to block the bids by Standard Chartered Bank and Hongkong and Shanghai Banking Corporation.

Bifu saw a merger as likely to improve the job prospects of its 6,000 members at the Royal Bank by opening up the international area.

The creation of a larger group could also bolster the competitive position in the English high street of Williams and Glyn's, a part of the RBS group in which Bifu has 4,700 members.

Mr David Paterson, Bifu's deputy general secretary (Scotland), said he was "a bit disappointed" by the Government's decision, but not pessimistic.

The union's steering committee on the takeover proposals will meet on February 8, and will make recommendations to a meeting of Bifu's executive council

Peace deal reached at Southampton docks

BY BRIAN GROOM, LABOUR STAFF

THE PORT of Southampton is set to resume normal operations this weekend for the first time in four months after the British Transport Docks Board reached a peace deal with leaders of the foremen, dockers and cargo checkers.

Although employers remain cautious after a series of setbacks, it appears the port's 10 months of almost continuous disputes may be over.

The deal was ratified yesterday at mass meetings of the

1,400 dockers and 150 checkers. The 140 foremen, who went on strike last week in an attempt to retain agreements which allowed them to work extra shifts in overtime, are expected to follow suit.

The board said the compromise followed a warning from Mr John Williams, the port director, that some sections of the docks faced closure if no settlement was reached.

It believed the board, which has lost millions of pounds in the disputes, warned it could not

afford to continue paying workers.

The dockers had insisted other groups, such as foremen and checkers, should not be allowed to work double shifts while dockers were sent home for lack of work.

Foremen's leaders have agreed their men will work double shifts after March 31 only if all dockers are working. If there is a surplus, alternative arrangements—yet to be finalised—will be implemented.

The checkers, who agreed in

principle to a substantial cut in double shift working weeks ago, yesterday reluctantly agreed to return to normal working under terms agreed with their union, the National Union of Railwaymen, before Christmas. Outstanding issues may be pursued separately.

Employers must now try to win back lost business. Negotiations on a new long-term deal with the port's biggest customer, the Trio Lines container consortium, are well advanced.

Cleaning contract attacked

BY CARMEL FITZSIMONS

COUNCIL WORKERS in Wandsworth, London, will meet next week to discuss possible industrial action in protest at the takeover of the borough's street cleaning services by private contractors.

The decision by the Conservative-controlled council on Monday to award a £4.5m contract to Pritchard Industrial Services has been attacked by Mr Tony Befton, the leader of the Labour group, as an assault on pay and living conditions.

"Council workers have been offered jobs by the company

but they will lose their index-linked pension, have shorter holidays and will generally be worse off."

Union response to the takeover has also been hostile. Ms Elizabeth Johnson, Malgo branch secretary in Wandsworth, said: "Pritchards are putting this contract in the shop window, as a loss-leader. This money is peanuts to them but even though they lose money they will attract more business."

But Mr Peter Fox, a chairman of Pritchards, said the company had never costed any of its operations at a loss.

Flexible work practices sought at Vosper yard

BY ANDREW FISHER, SHIPPING CORRESPONDENT

BRITISH SHIPBUILDERS is pressing for more flexible working practices at the loss-making Vosper Shipbuilders in Southampton.

Mr Robert Atkinson, its chairman, told a Commons Industry and Trade Committee hearing yesterday that unless these were achieved, the group doubted whether the yard could be made profitable.

Losses on the repair side have been falling and the division hopes to break even in the next financial year, although the central BS management feels a small loss is still likely.

The workforce at Vosper was cut last year from 1,100 to 520.

"I am not threatening to close anything down," Mr Atkinson said last night.

Asked during the Commons hearing if BS might consider selling the yard if a return to the black could not be achieved, he said: "We might do that. But who to?"

The repair division as a whole made a £7.3m trading loss in the year to March 31 1981.

Mr Atkinson did not spell out what changes would be requested from the Vosper workforce, but said they involved an easing of demarcation.

Mr Atkinson said he would meet the trade unions representing all British Shipbuilders workers on January 28.

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Apex votes for sanctions on insurance group

By Our Labour Staff

MEMBERS of the Association of Professional, Executive, Clerical and Computer Staff (Apex) at the General Accountancy Insurance Company have voted 4-1 in a secret ballot to impose sanctions over a 7.5 per cent pay offer.

Mr Keith Stanning, Apex national secretary, said the union's 1,200 members would begin a work-to-rule and overtime ban on February 1 if the company did not indicate by January 28 that it would improve its offer, which also includes a down payment on bonus scheme money.

The Association of Scientific, Technical and Managerial Staffs is backing its 5,500 members and may impose sanctions.

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A.B.N. Bank	14 1/2%	Grindlays Bank	14 1/2%
Allied Irish Bank	14 1/2%	Guinness Mahon	14 1/2%
American Express Bk.	14 1/2%	Hambros Bank	14 1/2%
Amro Bank	14 1/2%	Heritable & Gen. Trust	14 1/2%
Henry Ansbacher	14 1/2%	Hill Samuel	14 1/2%
Arbutnot Latham	14 1/2%	C. Hoare & Co.	14 1/2%
Associates Cap. Corp.	15%	Hongkong & Shanghai	14 1/2%
Banco de Bilbao	14 1/2%	Knowles & Co. Ltd.	15%
BCCI	14 1/2%	Lloyds Bank	14 1/2%
Bank of America	14 1/2%	Mallinall Limited	14 1/2%
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Beneficial Trust Ltd.	15 1/2%	Roxburgh Guarantee	15%
Bremar Holdings Ltd.	15 1/2%	E. S. Schwab	14 1/2%
Bristol & West Invest.	16%	Slavenburg's Bank	14 1/2%
Brit. Bank of Mid. East.	14 1/2%	Standard Chartered	14 1/2%
Brown Shipley	15%	Trade Dev. Bank	14 1/2%
Canada Pacific Trust	15%	Trustee Savings Bank	14 1/2%
Cavendish City Trst Ltd.	16 1/2%	TCB Ltd.	14 1/2%
Cayzer Ltd.	15%	United Bank of Kuwait	14 1/2%
Cedar Holdings	15%	Whiteaway Laidlaw	15%
Charterhouse Jspbet.	15%	Williams & Glyn's	14 1/2%
Chiquartons	15%	Wintour Sec. Ltd.	14 1/2%
Citibank Savings	15 1/2%	Yorkshire Bank	14 1/2%
Clydesdale Bank	14 1/2%	Members of the Accepting Houses Committee:	
C. E. Coates & Co.	15%	7-day deposits 12.50%, 1-month 12.75%, Short term 25,000/72 month 15.10%	
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Corinthian Secs.	14 1/2%	Demand deposits 12 1/2%	
The Cyprus Popular Bk.	14 1/2%	21-day deposits over £1,000 13 1/2%	
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UK NEWS - PARLIAMENT and POLITICS

Tory chairman voices growing fears of alliance

BY IVOR OWEN

GROWING FEARS among senior ministers that the Conservatives could be the main casualty of the SDP/Liberal Alliance at the next general election were reflected in a speech by Mr Cecil Parkinson, the party chairman, at Westminster yesterday.

Highlighting the danger that the success of the alliance could deny Mrs Thatcher a renewed mandate, he warned Conservative supporters not to be lulled into a false sense of security by the conflict and divisions in the Labour Party. Mr Parkinson told a parliamentary press gallery lunch that the Labour Party would not come into the next general election in its present state. "I am convinced that those who write the Labour Party off and have come to a decision now have reached a premature decision," he said.

United front

"The one thing which unites the Labour Party is either power, or the prospect of power, and I believe that with the approach of the general election the pressures on the Labour Party to present a united front will become ever stronger, and I believe the party will respond to them, and those who think the Labour Party will go into the next election in its present state are, in my view, totally wrong."

He recalled that Labour's electoral successes in the years since the second world war had coincided with a large protest vote which boosted support for third parties.

For this reason, he said, Labour must view the alliance not just as a threat but as an opportunity.

Mr Parkinson asked whether the SDP would become a major force in British politics, and in the course of not giving a definitive answer scoffed at the record of its leading members. He embarked on the task of

demonstrating by contending that the "best and most able people" in the Labour Party had not left to join the SDP.

Nor, he claimed, would Mrs Shirley Williams, Dr David Owen and Mr Bill Rodgers—the three former members of the Callaghan Cabinet who had defected—have been a dominant force in government had Labour won the 1979 general election.

He added: "Few of the others who have left would have had any role in a Labour government, even a minor one."

He dismissed Mr Roy Jenkins as the most deflationary Chancellor since the war. "He has not got a very great record as a person who, given the chance, pursued deflationary policies. He would have had no truck at all with any of the arguments he now puts forward for deflation."

He said that on trade union reform as members of the Labour government, the SDP MPs had supported the "outrageous" extension of trade union power.

"We will be attacking their credibility as politicians and attacking what I now call their magic circle economics."

On whether the Tories could win the next election, Mr Parkinson said the party's task was to destroy myths that it was a party which did not care about people.

He cited the Government's record on pensions, on education—where there were now the best pupil-teacher ratios in the history of state schooling—and on the health service, which had 20,000 more professional staff and shorter waiting lists than when the Government came to power.

He produced a predictable answer when he posed the question of whether the Conservative Party could win the next general election.

He declared: "It is a resounding, and I believe an informed, 'Yes.'"

Spirit of democracy put to the test at SDP gathering

THE AMERICAN Founding Fathers spent several months in Philadelphia writing their Constitution. The Social Democratic Party is more ambitious. It is proposing to consider its draft constitution at a two-day convention in Kensington in the middle of February.

The discussions are likely to highlight the tensions between centralism and democracy which have emerged in the party since its formation last March.

Ironically, some of the issues raised—covering the election of the leader, the selection of parliamentary candidates and the writing of the party's manifesto—are just the points which led to the departure from the Labour Party of several of the SDP's leaders.

The debate so far has been less acrimonious than Labour's, however. A draft constitution, written principally by Mr Bob MacLennan, MP for Caithness and Sutherland, was published in September. The draft was considered at each of the sessions of the SDP's rolling conferences last October. Since

then, local parties have been putting forward amendments which will be considered by the convention. The national steering committee also will put forward some amendments.

The role of the 350 representatives at the convention essentially is to narrow down the range of disagreement to a few major issues. It will con-

stituencies at the basic unit, is too large. They want a greater say for local groups and this has been conceded by the national steering committee, which has suggested that such smaller groups should be allowed to select candidates for local elections. There remains some disagreement about the role of regional organisation.

Thirdly, is positive discrimination. There has been considerable argument about the proposals to ensure equality between the sexes, with both men and women having not less than one third of the seats in the Council for Social Democracy.

Fourth, policy-making. Some rank-and-file members have been concerned that the Constitution involves a structure too centralised for the initiation of policy proposals. Amendments suggest that the membership as a whole, rather than the national Policy Committee and MPs, should have a greater say in putting forward ideas and shaping the party's election manifesto. At

ment or rejection by the Council for Social Democracy, the 400-strong parliament of the party—has been opposed by some MPs. A number of rank and file members also feel the party should involve wider democracy.

The second question for the convention is the local structure. Many rank-and-file members, particularly in rural areas, feel that the proposed area structure, covering several

less likely, the single transferable vote system. The Tory electoral reformers, like others in the PR campaign, highlight the possibility that there will be no overall majority in the next parliament.

The PR issue more significant, and they point out that Mr Denis Healey and Mr James Callaghan have already indicated that in certain circumstances they would not rule out acceptance of electoral reform by the Labour Party.

"If the Conservative Party refuses to contribute to the moulding of new constitutional arrangements to ensure a satisfactory method of elections, then we could find ourselves saddled with an electoral system which could destroy the party organisation in the country."

The snag for the Tory electoral reformers is that Mr Thatcher is strongly opposed to PR. Her views are reflected in the

formation of the Social Democratic-Liberal alliance, which is committed to introducing PR after the next election.

The Action group claims the public support of 40 MPs and the private support of many others, including ministers. It maintains that the party would thrive if PR was introduced, because "we are the most loyal party with the largest traditional following, the best organised, and probably the best financed."

"Given PR, we could confidently expect to dominate a right-of-centre coalition for many years."

The group has a sub-committee working out detailed proposals, which, it is hoped to publish at the beginning of April. Tory MPs, according to the group, generally favour the retention of a constituency relationship, probably via the additional member system, or

Representatives of the Society of British Aerospace Companies (SBAC), including its president, Mr A. H. Pope, and the chairman of British Aerospace, Sir Austin Pearce, also criticised the Defence Ministry Procurement Executive for its labyrinth of committees whose members were meant to monitor defence

projects but who were often not expert enough to perform properly.

The SBAC said that in some respects, particularly at higher levels, relations between industry and the MoD were improving, perhaps, as its President had suggested, because of publicity given to complaints by the Defence Committee itself.

For example, an attempt was starting to be made to involve companies in early planning stages for defence equipment, although industry was itself sometimes taking the initiative.

That had been the case with a design for a new fighter aircraft named the P110, on which British Aerospace was working both as a replacement for the multi-role Tornado in Britain and for its export potential.

Sir Austin, however, noted that such aircraft could not be produced for the UK market alone. To make it viable two-thirds would have to be exported. Similar factors applied to the corporation's civilian aircraft.

He said last night he would write to Mr Patrick Jenkin, Industry Secretary, asking him to take up the matter with the European Economic Community and the Organisation for Economic Co-operation and Development.

The Japanese Government recently decided to extend its annual interest-rate subsidies to owners through the Japan Development Bank. This increases the 1981-82 tonnage covered by the programme to 1.84m gross tons from 1.24m

gross tons. Speaking earlier in the day to the Commons Industry and Trade Committee, Mr Atkinson accused Japan of encouraging a wanton increase in shipbuilding tonnage.

The subsidies, which will now cost more than the £117bn (£275m) originally budgeted for fiscal 1981, cover orders in both Japanese and foreign yards.

Japanese yards, however, are expected to receive much the largest slice of any orders. "We won't be invited to tender for any one of those ships," Mr Atkinson said.

His remarks come as the world shipbuilding industry is recovering slowly from a lengthy recession.

Conservatives clash over electoral reform

BY PETER RIDDELL, POLITICAL EDITOR

THE DISAGREEMENTS within the Conservative Party about electoral reform surfaced this morning in a sharply worded exchange over proportional representation.

A Conservative Political Centre pamphlet by Sir Angus Maude, the former Cabinet Minister, and Mr John Smevley, attacks proposals for PR, and defends the first-past-the-post system.

The pamphlet has been attacked by Conservative Action for Electoral Reform, a pro-PR group, as being "unimaginative" and dredging up "a rag bag of clichés, which contribute nothing to the needs of the party at this important time."

The argument turns both on the desirability of electoral reform and on its impact on the future of the Conservative Party. It occurs at a time when the all-party Campaign for Electoral Reform is trying to step up its activities.

The issue has been given greater momentum by the

formation of the Social Democratic-Liberal alliance, which is committed to introducing PR after the next election.

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Call for liaison to create better defence industry

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

MUCH GREATER co-operation between the Defence Ministry and the Industry Department would lead to a healthier, more efficient defence industry, the Commons Select Committee on Defence was told yesterday.

The committee, holding its fifth session on procurement of defence equipment, currently worth about £6bn a year, was also told major British defence companies believed they would perform better and fulfill Government defence requirements more efficiently if they were involved in the defence procurement process at a much earlier stage, preferably before the Services decided what equipment they needed.

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British Shipbuilders plans Japanese subsidies protest

BY ANDREW FISHER, SHIPPING CORRESPONDENT

MR ROBERT ATKINSON, chairman of British Shipbuilders, is to urge the Government to protest against increased Japanese aid this year for shipowners ordering new vessels.

He said last night he would write to Mr Patrick Jenkin, Industry Secretary, asking him to take up the matter with the European Economic Community and the Organisation for Economic Co-operation and Development.

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Data protection Bill to be introduced

BY IVOR OWEN

GREATER PROTECTION for the individual citizen against the misuse of personal records stored in data-banks was urged by Mr Michael Meacher (Lab Oldham West) in the Commons yesterday. He was given leave to introduce a Private Member's Bill to establish an independent data protection authority.

The Bill has all-party support—its sponsors include Mr Tony Benn, a Tory backbencher and a Liberal MP. It is due to come before the House for a Second Reading on January 29.

Mr Meacher said the need for controls over collection and use of personal information had grown enormously over the past decade. There were 230 different functions carried out by central government involving computerised personal information about identifiable individuals. Most government computerised data-banks contained between 10,000 and 1m names.

Processes had been introduced, which gave access to information covering an individual's family relationships, previous and present addresses, criminal records, income tax and VAT

returns, medical treatment including any history of mental ill-health, credit rating and political and trade union activities.

Legislative controls were needed to ensure that the government, present or future, could abuse the new technology in the name of efficiency or security.

There were also dangers for the corporate sector. A commercial director of a leading company had recently said that without adequate safeguards British industry would be unable to move computer data freely between Britain and abroad.

Commons Sketch

Macfarlane gives Spain a sporting chance

THE MASSIVE onslaught which the rejuvenated Labour Party promised to unleash on the Government following the Bishop's Stortford conference has added to materialise in the Commons.

Yesterday, MPs whittled away their time on more parochial matters. Mr Dennis Canavan (Lab. Stirlingshire West) a disgustingly healthy fellow whose recreations include jogging, swimming, and soccer, was more concerned about the onslaught which English and Scottish football fans will make on Spain during the World Cup.

For some curious reason Mr Canavan held the notion that the hoodlums from West Ham, to come from the English, West Ham, if the Scots win the Cup.

But Mr Neil Macfarlane, Minister for Sport, was clearly apprehensive about the whole affair and was taking no chances. His officials are already in Spain discussing arrangements and he will be going to Madrid for talks next month.

The British attempt to stop the Brits beating up the luckless Spaniards did not impress the Opposition. "Tickets for the boys!" shouted some Labour scoundrels. Things took on a weightier tone when Mr Nigel Lawson, Energy Secretary, announced the public inquiry into the CEBG proposal to build a nuclear pressurised water reactor at Sizewell in Suffolk. Unfortunately this is a similar type to the one which ran into trouble on Three Mile Island in the United States.

There was a distinct impression in the House that even if Sizewell never heats our homes, it will at least provide fuel for dozens of controversial TV programmes.

There was a buzz of interest when Mr Tony Benn rose to make his first intervention since Bishop's Stortford.

As his former Energy Secretary he was worried about doubts over the safety of the PWR system, and suggested the money would be better spent on insulating homes and thus creating jobs.

Insulation seems to be the latest trendy solution to all our economic ills. Oddly enough, Mr Benn shares this obsession with Mrs Shirley Williams, darling of the Social Democrats, who dwelt on it at great length in her first Commons speech after the Crosby by-election.

The main business of the day was the Criminal Justice Bill, which aims to reduce pressure on the overcrowded prisons by allowing the early release of offenders and reducing the number of young people given custodial sentences.

According to Mr William Whitelaw, Home Secretary, this reflects the strategy with which the Government has pursued steadfastly. But hold on a minute, how do the new measures square with the last general election campaign, which the Tories fought on a tough law-and-order policy with the promise of "short sharp shock" treatment for young offenders?

It seems the image of "Whiplash Wily" has been buried for good.

John Hunt

Whitelaw talks on police chief

MR WILLIAM WHITELAW, the Home Secretary, will consult the Association of Chief Police Officers about Mr Peter Nivens, a former deputy assistant commissioner of the Metropolitan Police, who recently accepted an executive post with the gaming interests of Trident TV.

Trident took over the three London casinos, 80 betting shops and other casino interests of the Playboy Club on Sunday. The appointment has caused concern at Westminster.

Mr Whitelaw, replying to a letter from Mr Tom McNally (SDP Stockport South) conceded yesterday that the appointment was "in a different category from those normally taken by police officers on leaving the service."

Cabinet to discuss Budget strategy

THE CABINET will discuss the forthcoming Budget at its meeting next Thursday, it was learned yesterday. Mr Francis Pym, Leader of the House, is expected to confirm today that Budget day will be March 9.

At the time of the Budget last year there were threats of rebellion when several Cabinet ministers complained they had not been consulted adequately in the formulation of Budget strategy.

Mr Heseltine said he hoped that as councils became more familiar with the process it would speed up and make it unnecessary to introduce a timetable on all stages.

Mr Frank Dobson (Lab. Holford and St. Pancras South) said 19 council houses had to be sold to finance the building of each new one.

Mr Heseltine said that was a "totally meaningless statement."

Marshall made Labour whip

DR EDWARD MARSHALL, Labour MP for Gough, has been appointed an Opposition whip. He replaces Mr Frank White, MP for Barry and Radcliffe, who resigned after what was described as an internal disagreement.



If you were a charity this is how you'd see the Vatman.

Like other charities, The Spastics Society is burdened with VAT. This year we will pay about £300,000. Why should an organisation totally devoted to the care of the disabled be crippled in this way?

The money that we get is spent providing essential care—services which would otherwise have to be provided by central or local government—probably at much greater cost!

Local authorities can recover VAT, commercial companies can recover VAT—why, therefore, shouldn't charities be able to recover VAT. If you think this unfair burden should be lifted, the Society would greatly appreciate it if you would write to your MP.

The Spastics Society
12 Park Crescent, London W1N 4EQ. Telephone: 01-636-5020.

BBC 1

9.05 am For Schools. Colleges. 12.30 pm News After Noon. 1.00 Pabbie Mill at One. 1.45 News. 2.00 Stop-Go. 2.00 News and Me. 2.15-3.00 For Schools. 3.15 Holiday with the Children. 3.45 Holiday with the Children. 3.55 Record of the Week for England. (except London). 3.55 Play School. 4.20 Secret Squirrel. 4.25 Jackson's. 4.40 Huckleberry Finn and His Friends. 5.15 John's Claret. 5.15 Newsround. 5.15 Record of the Week. 5.15 Simon Green. 5.15 Peter Duncan. 5.40 News. 6.00 Nationwide (London and South East only). 6.25 Nationwide. 7.00 Tomorrow's World. 7.25 Top of the Pops with Mike Read. 8.05 Wildlife On One. The Gentle Giant. A look at the great white whale. 8.30 Seconds Out starring Robert Lindsay. Lee Montague and Ben Jones. 9.00 News. 9.25 Shopping starring Trevor Eve. 10.15 Questions Time with Robin Day. 11.15 Top Sailing. 11.45-11.50 News Headlines.

TELEVISION

Chris Dunkley: Tonight's Choice

Since The Winter's Tale isn't one of Shakespeare's best plays, ending with one of the most unlikely scenes anywhere in his work, it seems almost profitable for Radio 3 to be offering a new production less than a year after the BBC's last one, though that was on television. Still, tonight's cast is so enticing that one can hardly complain: Ronald Pickup as Leontes and Hannah Gordon as his wife, Barbara Jefford as Paulina; Gary Bond as Polixenes, Michael Gough as Antigonus, Cyril Luckham as the Old Shepherd, and, almost incidentally, John Gielgud as Time. On BBC2, one "committed" film-maker, Philip Donnellan, gives us a programme, 'Too Much Reality' about another much older "committed" film-maker, Joris Ivens, a unique figure whose life at 83 spans the history of documentary film. Born in Holland he worked with Grierson and has made films for the Dutch, American and Canadian governments, yet also some of the most sympathetic films about revolutionary societies, notably in China. Some of his earliest work was about mining, and for tonight's programme he spent two weeks with the inhabitants of a Kent mining community. BBC1's Wildlife On One is about grey whales, including the mating techniques of the 30-ton monsters, BBC2's Forty Minutes is about the veteran car-run to Brighton, and in the first of five programmes Top Sailing covers the Sardinia Cup.

BBC 2

11.00 am Play School. 12.00-1.05 pm Open University. 2.55 Robinson's Travels. 4.45 Muggers: Ancient and Modern. 5.40 All Creatures Great and Small. 6.35 Emma's Point. 7.15 House of Tomorrow. 7.25 News Summary. 7.30 History on Your Doorstep. 7.35 Too Much Reality. 9.00 The Nolans. 9.30 Forty Minutes. 10.10 The Smallest Theatre... 10.45 Newsmight. 11.30 The Old Grey Whistle Test.

LONDON

9.30 am Schools Programmes. 12.00 Little Blue. 12.10 pm Get Up And Go. 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Take The High Road. 2.00 After Noon Plus with Judith Chalmers and Trevor Hyett. 2.45 Love Among The Artists. 3.45 Three Little Words. 4.15 Dangerous. 4.20 Little House on the Prairie. 5.15 Emmerdale Farm. 5.45 News. 6.00 Thames News with Andrew Gardner and Rita Carter. 6.30 Sports: The Team Think? Tim Brooke-Taylor is the chairman and the panel consists of Beryl Reid, Jimmy Edwards, Frankie Howard and William Rushton. 7.30 "The Professionals," starring Burt Lancaster, Lee Remick, Robert Ryan and Jack Palance. TV Eye. 9.30 News. 10.00 Danger UXB. 11.00 WKRP in Cincinnati. 11.20 What the Papers Say. 12.15 am Close: "Sit Up And Listen," with Jack Jones. "Hedicates programme in black and white. All IBA Regions as London except at the following times:

BUSINESS LAW

Differing views of tax avoidance

BY A. H. HERMANN, Legal Correspondent

TODAY IS the big day in the tax-avoidance game. The Lords will deliver their judgment in the dispute between the Inland Revenue and Pilkington and will decide whether Pilkington can keep "trading losses" of £13m which it bought from Manchester Liners for £5.9m, saving £6.76m (net £0.84m) on corporation tax. One would like to hope that in deciding this issue their Lordships will also make it clear whether the Chancery Division judges, who recently approved tax avoidance schemes, are or are not in line with the new, realistic approach to tax law adopted by the Lords last year when they said that courts need not wear blinkers and should take artificial transactions into account when they really are "straightforward" transactions which have no other purpose than tax avoidance.

Lord Tomlin said that everybody is entitled to arrange his affairs so as to reduce the amount of tax which he would otherwise have to pay. This decision provided the cornerstone for a flourishing tax avoidance industry, which became so large and efficient that it had to be cut down. In the Ramsay case last year, the Lords outlawed circular tax avoidance schemes and later on in the Burmah decisions Lord Diplock gave a warning that the Duke of Westminster ruling tells little or nothing as to what methods of ordering one's affairs will be recognised by the courts. In short, the Lords moved away from "loopholes" created by a grammatical interpretation of the Finance Act, and started to distinguish between "straightforward" transactions and transactions which had no other purpose than tax avoidance.

The judgment of Mr Justice Nourse was closely followed by another success of the tax avoiders. This concerned the sale of two small family companies by Mr George Dawson and his two sons to Wood Bastow Holdings. To defer liability to Capital Gains Tax the Dawson family formed a company called Greenjacket on the Isle of Man, exchanged their two little companies for shares

in Greenjacket, which then sold these companies to Wood Bastow for £155,000. They claimed that under paragraph 6 of schedule 7 to the Finance Act 1965 no liability to tax would arise before they disposed of their shares in the Manx company. The learned judge acknowledged that the recent judgments of the House of Lords implied a radical change in the approach to artificial schemes, but noted that the House had not gone so far as to overrule its decision in the Duke of Westminster. The facts in the present case, though the judge differed from those to which Lord Wilberforce and Lord Fraser referred in Ramsay. He was, therefore, not bound to conclude that the Dawson family had gained by the indirect disposal of shares to Wood Bastow. Moreover, Greenjacket obtained control of the operating companies, and the exchange itself could not be treated as a disposal. The tax inspector lost, for the time being, at least.

RACING

BY DOMINIC WIGAN

IRRESPECTIVE of whether today's meetings at Lingfield (7.30 am inspection) and Newton Abbot (7 am inspection) get the go-ahead, followers of National Hunt Racing have plenty to look forward to. The weekend promises fiercely competitive racing at Haydock and Kempton, as top-class Cheltenham candidates brought together through the abandonment set out to stake their Festival claims. On the premier Lancashire course, the Champion Hurdle Trial will see a field almost as strong as that which can be expected for the Crowe itself. Celtic Ryde, Ekbalco, Gaye Chance, Broadsword, and Starfen are all intended runners. The 10 steeplechasers remaining in the Peter Marsh Chase (a limited handicap) include

Night Nurse, Captain John and Sunset Cristo. Fred Winter, who has trained more winners than Michael Dickinson and Arthur Stephenson already this season, seems sure to knock his 30th success of the campaign today, provided overnight rain doesn't upset Lingfield and Newton Abbot. Venture To Cognac's handler has Gerby and Shullaris on the Surrey course and Colonial Lad and Little Canford to represent him at the Devon fixture. The Duke of Alburquerque's Colonial Lad, ridden by the owner's son, the Marquis de Cuellar, revels in the mud and looks a worthwhile bet in the hands of his under-rated rider. LINGFIELD 1.30—Right Regent 2.30—Gerby 3.00—Omnipotent** 3.30—Mr Darkie NEWTON ABBOT 1.15—Gilded Gold 2.15—Colonial Lad*** 3.15—Little Canford*

ANGLIA

1.20 pm Anglia News. 2.00 Not For Women Only. 4.20 Vicky: the Viking. 4.45 The Further Adventures of Oliver Twist. 6.00 About Anglia. 6.30 Arena. 6.35 Crossroads. 7.00 Benson. 10.30 Superquarry: Mober Kitching International. 11.00 The Marquis Man (Acupuncture). 11.30 Lou Grant. 12.30 am The Council in Question. 1.20 pm Border News. 4.20 Here's the Boomer. 4.45 Little House on the Prairie. 5.00 Lookaround Thursday. 5.35 Crossroads. 7.00 Emmerdale Farm. 10.30 Goffing Greats (Gene Sarzan). 11.00 The Medicine Man. 11.30 Border News Summary. 12.30 pm This Young Doctor. 1.20 Central News. 4.20 Sport Billy. Jason of Star Command. 5.15 Here's the Boomer. 6.00 Crossroads. 6.25 Central News. 7.00 Emmerdale Farm. 10.30 Vantage. 11.00 The Medicine Man (Acupuncture). 11.30 Central News. 11.35 Deer Detective. 9.25 am First Thing. 1.20 pm North News. 4.20 The Flying Kite. 4.45 Sport Billy. 6.00 North Tonight. 6.30 Police News Summary.

RADIO 1

(S) Stereophonic broadcast. 5.00 am As Radio 2. 7.00 Mick Red. 8.00 Simon Bates. 11.30 Dave Las Travie. 2.00 pm Paul Burnett. 3.30 Steve Wright. 5.00 News. 5.15 The Record Producer. (George Martin). 6.00 David Jensen. 10.00-12.00 John Peel (S). 5.00 am Steve Jones. (S). 7.20 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Glenn Hurnford (S). 2.00 Ed Shearwater (S). 4.00 David Hamilton (S). 6.45 News. Sport. 7.00 John Dunn (S). 8.00 Country Club with Wally Whyton (S). 9.00 Alan Dell with the Big Band. 10.00 (S). 10.30-11.00 The Wednesday. 10.30 Star Squad. Extra. 11.00 Brian

RADIO

Mathew with Round Midnight. 1.00 am Truckers Hour. (S). 2.30-5.00 You and the Night and the Music (S). RADIO 3 6.55 am Weather. 7.00 News. 7.05 Morning Concert (Cont). 8.00 News. 8.05 This Week's Composer. Haydn (S). 10.00 Philip Jones Brass Ensemble (S). 10.35 Beethoven's third quartet recital (S). 11.20-11.27 am Ulster Orchestra (S). 1.00 pm News. 1.06 Bristol Lunchtime Concert. (S). 2.00 "Musiques" by jazzists by Henri Barraud. In-opa act (French Radio recording) (S). 3.10 Mozart's Brahms and Beethoven Chamber music recital (S). 4.55 News. 5.00 Majesty for Pressure. (S). 7.00 Mozart

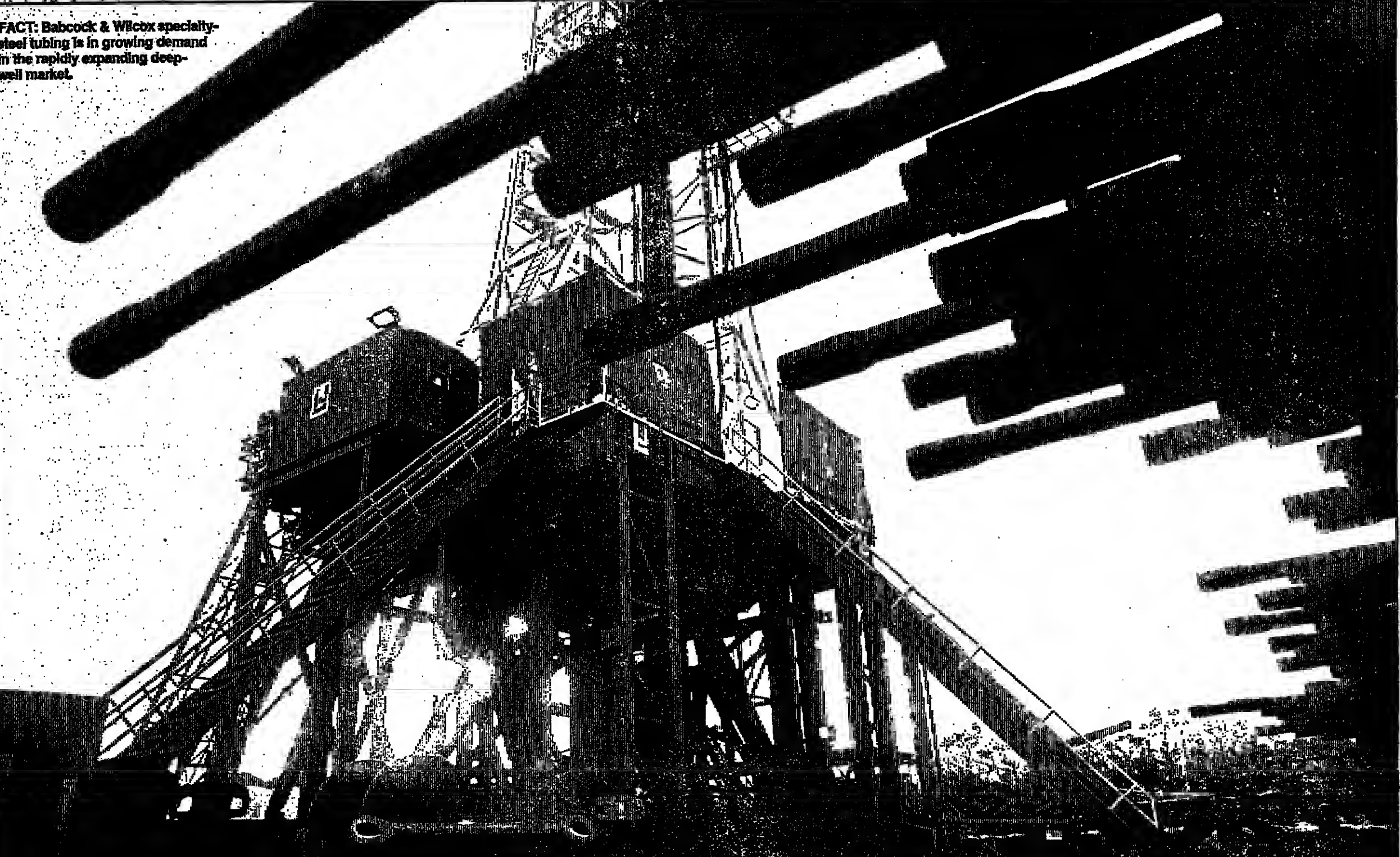
SCOTTISH

1.20 pm News and Read and Weather. 1.30 Byones. 4.20 Palmerston U.S.A. 5.15 Pat Subject. 6.30 Crossroads. 6.30 Scotland Today. 6.30 Bodyline. 6.30 Now You See It. 7.00 Take The High Road. 10.30 Make Mine Music. 11.00 Seacht Lathain. 11.45 Late Call. 11.50 Barney Miller. 1.20 pm Granada Reports. 4.50 Little House on the Prairie. 8.00 Granada Reports. 8.25 This is Your Right. 6.30 Crossroads. 7.00 Emmerdale Farm. 10.30 Barney Miller. 11.00 The Medicine Man. 11.30 What the Papers Say. 11.50 Taped and Brown Show. HTV 1.20 pm HTV News. 4.20 Palmerston U.S.A. 5.10 Jobline. 5.20 Crossroads. 6.00 HTV News. 6.30 HTV News. 7.00 Emmerdale Farm. 10.28 HTV News. 10.30 Superstar. 11.00 The Medicine Man. 11.30 Lou Grant. HTV Cymru/Wales-As HTV West except 11.22-11.27 am Am Gymru. 12.00 Pol. A. Pili. 12.05-12.10 pm Calineo. 4.15 Theatre Squ. 4.45 Sat. 5.10-5.20 The Undersea Adventures of Captain Nemo. 6.00 Y Oydd. 6.16 Report Wales. 6.30-7.00 Sports Arena. 10.30-11.30 All kind of Everything.

TYNE TEES

9.30 am The Good Word. 9.25 North East News. 1.20 pm North East News and Lookaround. 3.45 Benson. 4.20 Fanlight. 4.45 240 Robert. 5.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 10.32 Job Sit Extra. 10.35 Bizarre. 11.00 Check It Out. 11.30 The Medicine Men (Reductions). 12.00 Travelling. ULSTER 1.20 pm Lunchtime. 4.15 Ulster News. 4.20 The Adventure of Black Beauty. 4.50 The Flying Kite. 5.15 Good News on the Week. 5.30 Good Evening Ulster. 6.00 Good Evening Ulster. 6.35 Crossroads. 7.00 Emmerdale Farm. 10.28 Ulster Weather. 10.30 Bizarre. 11.00 The Medicine Man (Acupuncture). 11.30 Bedtime. YORKSHIRE 1.20 pm Calendar News. 4.20 Sport Billy. 4.45 Little House on the Prairie. 5.00 Calendar. (Emley Moor and Selmon editions). 5.35 Crossroads. 7.00 Emmerdale Farm. 10.30 Country Calendar. 11.00 The Medicine Man (Acupuncture). 11.30 Ladies Man.

McDermott



FACT: Babcock & Wilcox speciality steel tubing is in growing demand in the rapidly expanding deep-well market. "With deep-well drilling accelerating, increased demand for speciality tubing is keeping our new tubing facilities working around the clock." J.E. Cunningham Chairman of the Board Chief Executive Officer

More and deeper wells are being drilled, offshore and onshore. As they go deeper into severe environments at extreme temperatures and high pressures, the demand for speciality tubing increases, making it the fastest growing segment of the total tubular market. Predicting this surge in demand, Babcock & Wilcox, a McDermott company, invested nearly \$100 million to increase its tubing production capacity. The new \$14 million Bryan-College Station, Texas facility

is exclusively committed to finishing high-strength, deep-well tubing, helping increase our tubing output by 25%. Offshore and onshore, McDermott, its subsidiaries and 60,000 employees worldwide are well prepared to help the world solve its energy problems—

with oil and gas production facilities; fossil and nuclear energy systems; speciality steel tubing; insulating products; and industrial automation. For more information, write Vice President, Public Affairs, McDermott Incorporated, 1010 Common Street, New Orleans, LA 70112.



No matter how the world solves its energy problems, McDermott is involved.

THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

Guinness: a brewer at the cross-roads

Guinness's sacking of its advertising agency has thrown a spotlight on its strategy

NEVER CAN A BIRD have looked as baffled or bedraggled as did the Guinness toad this week. Its wings clipped, its feet tied, this hapless creature—masquerading as one of British advertising's most famous campaigns—was bundled out of one advertising agency and into another, shrieking and complaining through its tied-up beak.

For the losing agency, J. Walter Thompson, the decision by Arthur Guinness to switch the account came as a very sharp shock for its pay-off, after almost 13 years, was a four-line dismissal.

For the winning agency, Allen Brady & Marsh, the gain marked yet another triumph in a ten-year run that has cut a swathe through UK advertising.

For Guinness, the move at once raised questions of timing and tactics, as well as strategy. It knows it is at a watershed. But the way it switched agencies seemed unaccountably sudden.

Ernest Saunders disavows Mr Saunders is the marketing high-flier brought in last October as Guinness's new managing director.

It was he who sacked Thompson's, for whom he used to work. In the years since then, he has established an impressive reputation at Beecham and GUS and latterly Nestlé in Geneva.

Last year, Guinness made a record trading profit on its main business beer, but the total was reduced by losses elsewhere

(the table summarises principal activities of Guinness's holding and subsidiary companies for the year to September 26, 1981).

Last week, Lord Iveagh, its chairman, told shareholders that 1981 had been a watershed. Brewing profits were ahead of expectation, underlining the return Guinness now enjoyed from "years of investment in our world-wide trade-names, particularly Guinness Stout."

But its diversifications had proved costly, which was why Guinness is retrenching. Its exotic foray into films has ended, following painful losses. It is selling Callard and Bowser, and closing one of its plastic moulding factories.

The need, Lord Iveagh told shareholders, was to re-formulate a coherent development plan. Alternative strategies were being considered, and it was to its strong new management team—including Tony Pursell and Simon Lennox-Boyd as deputy chairmen—that Guinness was turning to provide the "leadership and vision" so important to a group with such diverse geographic and product interests.

It is in this context that Mr Saunders sets the sacking of J. Walter Thompson.

"My brief is to undertake a thorough but rapid review of the business in all its aspects," he said this week. "To examine how we can do better, what it is we do, and be more profitable."

"It is in the context of overall analysis that you come to advertising. (Guinness's UK billing in 1981 was roughly £7m). Although it is seen to be an entity, advertising is part of total commercial strategy."

"When I arrived, I set in explanation save that contained in a Press release issued on Monday.

"The loss is a savage one—and, in our view, wholly undeserved," Jeremy Bullmore, the agency's chairman, told staff this week.

What was unusual, this time around, says Mr Bullmore, was that the incumbent was fired without a moment's warning, for he maintains there is an investment in such relationships that is of value to the client.

As for ABM, its last for growth is undiminished, for it has made a speciality of blue-chip gains.

As recently as 1977, ABM's billing was £10.5m. But the ability of its chairman, Peter Marsh, to corral big-spending clients—Midland Bank, British Rail, the Electricity Council, the Milk Marketing Board, Westair and Guinness—and to give them what they want, has driven the agency's billing to more than £70m, which ranks it in the top five (ABM is British-owned, privately-controlled, and run with greatest zeal).

Mr Marsh arouses envy. But his critics confuse the message with the man. They talk of his suiting and his jewellery, his monocle and bombast—and make the vital commercial error of not listening to what he says.

In July 1979, when ABM won Midland Bank, Mr Marsh said it was ABM's aim to become "the best-run, best-managed, British-owned agency." In August last year, when he won Milk, he claimed to be "out- resource" his biggest rivals, to offer management continuity and flexibility, and said that what he believed in were rather basic things, like "total single-mindedness and utter dedication."

The toucan is temporarily silenced; not so Mr Marsh.



Toucan plus two-some: Ernest Saunders, Guinness's new managing director, and Peter Marsh, chairman of the new Guinness agency, Allen Brady & Marsh.

There is no question of layoffs at JWT. Its London agency billed £96.1m last year, ranking it second only to the main Saatchi shop, and it in any case added on £10m worth of new business.

The Guinness sacking ripples, yet Mr Bullmore, who is also chairman of the UK Advertising Association, dismisses the suggestion that the firing is typical of life in the Giltner Palace.

"It is often said that agencies despise clients and clients envy agencies. That is not so. It is certainly true that any senior executive brought in by a client is going to review every single aspect of that company's motion a review of our total communications programme. After all, the billing is substantial. I took the view that whereas the Guinness brand in Britain was holding up well, it could do better."

"In the circumstances, it was unlikely that I could get a totally new look by asking the existing agency to do something different."

Thus it was, he says, that he discovered ABM. He says he was impressed with ABM's "professionalism and enthusiasm," and with its track record on Harp, a consortium lager brand that is part Guinness-owned.

ABM was appointed on Monday, and by Tuesday says it had a strong agency team working on the brand.

Was the move not brutal and abrupt? "You don't need nine months to reach a decision," says Mr Saunders.

But why no agency review? "This was a business decision. I'm not here to create advertising circles for the benefit of the media."

Meantime, to say that JWT was stunned is to experiment with obsequiousness. For at the end of the day its pay-off from Guinness was a 94-word paragraph terminating its contract—it was sacked by the group, Arthur Guinness Son and Co., not by its client, Arthur Guinness Son and Co. (Park Royal).

The agency was given no indication that Guinness was contemplating change; nor any

"We've nothing to reproach ourselves for and a very great deal to be proud of."

"If there was anything more to tell you, we would."

"There are other good brewers."

But JWT is not about to lose itself down memory lane, for in a further staff memo, that goes out today, Mr Bullmore says that since 1980, "as we've improved the reputation of Guinness, so we've improved our own."

He says that Guinness was the first major brewer to recognise the commercial value of advertising, its campaigns proving not only effective, but setting new standards of style, wit, reward and persuasion that created respect and affection for the beer and the company.

"Auditors call it 'goodwill'. Its value is priceless."

JWT was appointed in 1969. "From the very beginning," says Mr Bullmore, "we were left in no doubt that the Guinness company took the value of advertising and the quality of its agency very seriously indeed."

Competition in the beer market was fierce. Later, with lager, it got fiercer still. Today, he says, a third of the UK beer market is held by relatively new brands, while many once-famous brands no longer exist. Yet Guinness is still market leader.

"The credit for all this must be shared by hundreds; by our

clients, whose faith in their remarkable brand, faith in advertising, faith in us, and relentless pursuit of the best made the best achievable; and by the countless people in this agency who managed, year after year, to achieve it."

structure, which means there will always be some incidence of change of agency, as with other suppliers of services.

"In a competitive market you'll gain as much as you lose in any reassessment. Whether it is just or unjust is irrelevant."

Why UK tobacco giants decided to answer back

BY DAVID CHURCHILL

THE UK TOBACCO industry has been a soft touch for years. But like the proverbial worm that turned, the tobacco giants have decided to fight back.

This week through its trade body, the Tobacco Advisory Council, the industry started a £225,000 advertising campaign in the Press aimed at bringing home to smokers the fact that three-quarters of the price of a packet of cigarettes—which sell at about 95p at present—goes in taxation.

In total, this represents around £4bn a year in revenue to the Government, or £11m a day.

At the same time, the trade associations representing Britain's 40,000 or so small tobacconists have launched a nationwide petition in retail outlets to campaign against any further duty increases on tobacco.

In terms of some of the better lobbying campaigns of recent years, the tobacco industry's attempt at self-justification is relatively small beer.

But even to get the tobacco companies to agree to such a low-level campaign has been a major achievement for those within the tobacco world who feel that attacks on the industry should be answered back.

Those who want the industry to fight back believe that the mood of the public, and the Government, is beginning to change.

The 15 per cent slump in cigarette sales over the past year—a direct result of extra duty imposed by the Government—has led to all the major tobacco companies being forced to run down their manpower, either through natural wastage or forced redundancies.

This correlation between tax increases and job losses is beginning to have some impact on public opinion, or so it is argued, at a time when 500 are unemployed.

Moreover, it is also felt that the present Government has also drawn back from taking a tough line on cigarette advertising and sponsorship because of the impact on employment.

Not everyone in the tobacco industry feels that resistance should be made so publicly. Advertisements pointing out the high level of taxation also reinforce in the smokers' mind, it is suggested, the fact that

cigarettes are now much more expensive.

However, the sales slump over the past year, and the continued anti-smoking campaigns, have persuaded even the most reticent in the industry that the tobacco companies must make their collective voice heard.

On the other hand, there can be little doubt that the anti-smoking lobby has more heart for its job.

The Health Education Council, for example, is currently spending some £300,000 on a television campaign featuring Esther Rantzen and footballer John Hollins describing the perils of smoking.

The current campaign, which will run until the end of March, is part of the Council's £1m annual budget devoted to stopping people smoking. (Last year the cartoon character Superman was used effectively to help stop children smoking.)

However, the Action on Smoking and Health group has taken a much more low-key approach in comparison with current rival campaigns.

Scorning television and display advertising (because it cannot afford it) ASH is running a series of very small classified advertisements in national newspapers appealing for funds with which to continue its anti-smoking crusade.

The cost of its advertising campaign is estimated at around £2,000.

NET REVENUE of the ITV companies last month was £65.76m, against £49.37m in December 1980. ITV's net haul last year was £511m, 15 per cent up on the year before. Most forecasters are predicting further strong growth in the current year, for a net total in revenue of at least £700m. Even better prospects are forecast for 1983, given next November's launch of Channel Four.

AVERAGE LISTENING hours on UK Independent Local Radio total 13.9 per week, according to the latest JICRAR research.

GEORGE GROSS has been appointed to handle URM (UK's) Grand Marnier and Lemon Hart Golden Rum, plus a new range of Spanish sparkling wines. Estimated billing this year totals £1m.

BILLET and CO. has been appointed by TV-AM to work on business planning and help launch the station.

Make your conference all shipshape and Bristol fashion.

First, our communications are superb. We're at the hub of the M4, M5 and M6. With London only 1 1/2 hours away by High Speed Train. And we've ideal conference facilities for 20 or 2000. Plus a wide choice of first-class hotels—both traditional and modern. And a marvellous selection of entertainment: theatres, museums, markets, restaurants, taverns, sightseeing. And of course, there's the beautiful West Country all around. For complete details, please post the coupon. Or give us a ring. Tel: (01273) 25031 Ext. 235.

Bristol requests the pleasure of your Company.

For Publicity & Information Manager, Cobden House, Cobden Street, Bristol BS1 5AQ. I'm interested in the Shipshape and Bristol Fashion. Please tell me more.

Name: _____ Address: _____

Company: _____ Position: _____

Arthur Guinness Son and Co.

	Turnover	Trading profit
	1981	1980
	(£m)	(£m)
Brewing	619.8	498.9
General Trading	187.8	184.4
Plastics and Materials Handling	62.9	69.6
Leisure	7.4	7.2
Confectionery	19.5	17.1
Film Financing and Distribution	8.2	6.4
Central Management costs		45.1
	905.6	783.6
		42.0
		47.0

*Figures re-stated for the purpose of comparison

HOW ARE THE MIGHTY RISEN.

Growth rating 1966-1981

	%
1. Racal	+5569
2. Iadbroke	+3592
3. Ultramar	+3588
4. Electronic Rentals	+3579
5. Hanson Trust	+3281
6. Trafalgar House	+2921
7. Electrocomponents	+2854
8. BTR	+2111
9. Tricentrol	+1762
10. De La Rue	+1269
11. GEC	+1181
12. Northern Foods	+1105

Research by Exel Statistical Services

In the table above, you can see the twelve fastest-growing companies of the last 15 years. But where did they figure in Management Today's equivalent table back in 1966? With the exception of GEC, the answer is: nowhere. Eleven of the twelve never even made the top 100.

A mercurial performance by all of them, then. Yet the figures will have come as little surprise to regular readers of Management Today.

Every month, we look long and hard at the progress of Britain's major companies. We investigate both the successes and failures. We report on what lessons can be learnt from the past, and what the future may hold. We investigate new management techniques, fresh solutions to die-hard problems, indeed every aspect of British management.

Little wonder, then, that Management Today has become the most important business magazine in Britain.

146,000 senior UK businessmen read Management Today every month.

A recent survey showed that 41% of our circulation went to full board members. 79% of those receiving copies are so interested that they read it at home. 41% consider Management Today sufficiently authoritative to keep it and refer to it for longer than 6 months. No other business magazine has as wide, or as senior, an audience. No newspaper has as long a life.

All of which should bring you to the following conclusion:

If you want to talk to the people who influence British business, Management Today is the ideal publication in which to place your advertisement.

Higher readership than any other U.K. business magazine amongst businessmen...

	Penetration
Management Today	146,000 17-1
Economist	70,000 8-3
The Director	41,000 4-8
Chief Executive	21,000 2-4

...And even some of the national newspapers.

	Penetration
Financial Times	167,000 19-7
Management Today	146,000 17-1
Times	104,000 12-2
Guardian	84,000 9-9

Businessman Readership Survey 1980.

Management Today
The business magazine of Britain.



There's more than one lady with influence in British industry.

In fact, there's an army of them, just like Alison Hodgson. Though Alison's name is unlikely to come up at a CBI meeting, she is as concerned as the lady on the right in keeping British industry running efficiently and cost-effectively.

Because 24-year old Alyson, of Esher, is one of Gardner Merchant's 2000 Catering Managers.

The canteen that she manages is supported by a small regional team. And across the whole country there are many similar teams, each providing the same local service that has made Gardner Merchant the biggest and most successful catering management organisation in Europe.

Gardner Merchant has built an unrivalled reputation for good food at work. This has been achieved largely by encouraging people like Alyson to develop fully their catering skills and by making the company's resources readily available at local level.

As Alyson knows, there is enormous satisfaction in providing the appetising and nourishing meals that are appreciated by the many thousands Gardner Merchant serve every working day.

Meals enjoyed in staff restaurants that run smoothly professionally, and within the catering budgets of the managements that appointed Gardner Merchant.

Managements that are left free to concentrate on their main business activities knowing that their catering is in safe hands.

Gardner Merchant, as a highly successful international division of Trusthouse Forte, can use some pretty effective muscle when it comes to buying food and equipment.

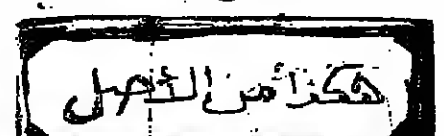
And even more important, trains and motivates people to standards that few in catering can match.

As Alyson would point out, being the biggest means that Gardner Merchant has the strength and resources to provide the finest local service, and the management and drive to make it all work.

The lady on the left may never make the headlines, but with every meal she provides, she contributes towards Britain's prosperity. And the lady on the right would certainly approve of that.

For further details, please write to: Michael Oliver, Marketing Director, Gardner Merchant Limited, FREEPOST 100, LONDON E1 8AY, or dial the operator and ask for FREEPHONE 5225.

GARDNER MERCHANT
A Division of Trusthouse Forte



THE NEW FORD ENGINES.

Nobody in the truck business can ignore the threat of rising costs. And that is the very reason why the launch of the Ford Cargo earlier this year was so important for the industry.

The Cargo truck range addresses your single greatest problem: Rising Costs.

We've applied the same principle to a new range of engines; the new Ford 90-150 Series.

After our 15 years proven experience with the 'D' Series and nearly four years of exhaustive tests, we've learnt a great deal.

And while we've made many changes to the famous 'D' Series engines we've retained the basic concept that made them so successful.

The result is an even tougher range of engines that lasts longer and gives you better service in every way.

42% MORE RELIABILITY.

The new features you can see here are all designed to produce maximum lubrication and minimum wear.

On top of that we've used premium components throughout.

So you'll get a truck that works harder for longer and gives you exactly what you need.

Higher productivity.

10% MORE POWER.

The same principles have also led to an increase in power of up to 10%. Drivers will delight in the extra acceleration and as a result you're likely to benefit from faster journey times.

4% BETTER FUEL ECONOMY.

Our test results show that the improved breathing and combustion of the new engines, give fuel consumption savings of up to 4% over their already thrifty predecessors.

52% GREATER DURABILITY.

The new engines were exhaustively tested both on the test rig and on the road. We notched up over 100,000 hours of testing.

The massive increase in durability we recorded spells good news for any operator. It not only means that you'll get more out of a truck while it's yours but you'll also get more for it when the time comes to replace it.

24% LOWER COST OF OWNERSHIP.

The price you pay for a new truck is only a small fraction of what it costs to run during its life.

That's why the bottom line figure is so important.

Compared with the 'D' Series, the cost of running a 90-150 Series engine is 24% lower.

FORD GIVES YOU MORE.

We'd like you to think carefully just what all these figures mean.

You can now operate a truck as advanced as the Ford Cargo and obtain greater efficiency right across your range.

Any engine that can reduce your total cost of ownership by as much as 24% is worth finding out more about.

So why not talk to your local Ford Truck Dealer about the deals he's offering. And ask him to loan you a demonstrator vehicle.

When you've tried it, you'll see that when it comes to fighting rising costs, Ford really does give you more.



FORD CARGO
6-2.5 TONNES



BUILT TO COMBAT RISING COSTS.

THE LAUNCH OF 90-150 SERIES

New valve train made to premium specifications.

Large section inlet and exhaust manifolds achieve a high rate of gas flow through engine, increasing power and lowering fuel consumption.

Vortex type inlet ports create a highly turbulent air flow which thoroughly mixes the air and fuel, resulting in highly efficient combustion.

Improved water cooling system and oil-spray piston cooling, keeps engine at optimum running temperature at all times.

Twin thermostats with full-flow radiator by-pass provide quicker, more uniform warm-up.

Cylinder block and head both heavily reinforced for greater structural strength.

High technology pistons and cylinder bores (the pistons are diamond turned and the rings are chrome plated for longer life).

Engine mounted integral oil cooler improves reliability and durability.
(09 models and above)

Two stage oil filter designed to filter particles down to five microns.

High capacity, crankshaft driven, oil pump with 19.5 gallon per minute oil flow to all bearings.

هكنا من النهر

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Nobody in the truck business can ignore the threat of rising costs. And that is the very reason why the launch of the Ford Cargo earlier this year was so important for the industry.

The Cargo truck range addresses your single greatest problem: Rising Costs.

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So you'll get a truck that works harder for longer and gives you exactly what you need.

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FORD CARGO
6-2.5 TONNES



BUILT TO COMBAT RISING COSTS.

JOBS COLUMN

UNIVERSITIES IN THE EMPLOYMENT MARKET—1980

Need for inquiry

BY MICHAEL DIXON

THE TABLE alongside seems to be the only independent measure available of the human products of undergraduate courses at different United Kingdom universities. It shows the job-finding record of UK students who graduated at bachelor level in summer 1980.

But the University Grants Committee ignored this measure when considering how much to cut each institution's student numbers from 1979-80 to 1983-84.

The reasons are apparently twofold. One is that the graduate-employment figures refer to the end of the calendar year, six months after final examinations. This is too soon to judge, the UGC argues. Many graduates need longer to adapt to the jobs market.

That is true. Since 1980 the market has worsened so that 10,000 or more of last year's graduates are still seeking work, and it will be worse still this year.

But the point of the table is to show how graduates from different universities are valued by the employment market. And six months later is as good a date for that as any other.

The UGC also argues that when a university's bachelor-level output is taken as a whole, its employability will depend

on how much is composed of arts graduates and how much of engineers, for instance. Since the composition varies with institution, each has a different "handicap."

That is also true. But a change in the graduate-employment data now allows me largely to compensate for variances in the mix of main subject groups. Before telling how I'll deal with less tricky matters.

The table refers only to UK-domiciled bachelor-level people. Each university's output of these is in the column to the right of its name. Next comes the proportion of the output who were not traceable at December 31, 1980. It seems best to assume that what happened to them varied similarly with what happened to their counterparts from the same institution who were traced.

The next three columns refer to the graduates who were in at best short-term employment at December 31. They were either still seeking work, in a job they expected to last no more than three months, or not available for employment at least in the UK.

Of these three columns, the first is a standard which largely compensates for differences in the mix of the major subject

groups. If one takes all arts graduates from all the universities, their overall "at best short-term" score in 1980 was 19.3 per cent. Corresponding overall averages for the other groups were social studies 16.9 per cent, sciences 14.2 per cent, applied sciences 9.9 per cent, and medicine, dentistry and veterinary science 0.62 per cent.

The standard column suggests what each institution's "at best short-term" score would have been if its graduates in each of the subject groups had conformed to the relevant overall average. This is compared in the next column with what actually transpired, and the following column shows the differences between the standard and the actual in percentage points.

This is then compared with the UGC's student cuts.

Chance would account for the variances in the middle of the table (say, those within 2 per cent of zero either way). But it would seem that differences in mix of main subject groups do not explain why, for one example, Exeter's graduates do so much better than those from York.

The UGC would surely do better to investigate such variances than just assume that they do not matter.

Ranking	University	Number of new UK graduates 1980	Whereabouts unknown at December 31 (%)	At best short-term job by December 31 (%)	Better (+) or worse (-) than "standard" (% points)	UGC change in student numbers 1980-84 (%)
1	Cambridge	2,458	10.9	15.6	+ 4.7	- 2.0
2	Glasgow	1,924	2.7	13.9	+ 11.2	- 3.0
3	Birmingham	2,020	16.1	14.5	- 1.6	+ 0.3
4	Bath	723	9.4	13.5	+ 4.1	+ 2.0
5	Oxford	2,597	7.1	16.5	+ 9.4	- 3.0
6	Dundee	493	8.3	11.9	+ 3.6	+ 0.4
7	Exeter	1,167	10.7	17.0	+ 6.3	+ 2.0
8	City	449	6.7	12.9	+ 6.2	+ 5.0
9	Durham	1,197	1.7	16.9	+ 15.2	+ 4.0
10	Aston	1,057	9.5	13.4	+ 3.9	- 22.0
11	Essex	513	17.3	17.0	- 0.3	+ 4.0
12	Newcastle	1,597	15.4	13.0	- 2.4	+ 4.0
13	Brunel	409	5.6	13.0	+ 7.4	+ 0.4
14	Heriot Watt	526	1.9	13.4	+ 11.5	+ 0.4
15	Queen's Belfast	1,265	11.8	14.8	+ 3.0	+ 13.0
16	Strathclyde	1,602	9.9	14.5	+ 4.6	- 4.0
17	Bristol	620	2.7	14.1	+ 11.4	+ 0.7
18	Surrey	1,088	1.2	15.2	+ 14.0	- 3.0
19	Loughborough	948	10.3	13.5	+ 3.2	+ 0.4
20	Liverpool	1,622	9.4	13.3	+ 3.9	- 2.0
21	Nottingham	1,564	14.3	13.9	- 0.4	+ 4.0
22	Manchester	2,976	2.2	14.0	+ 11.8	+ 0.2
23	Strirling	530	8.3	17.4	+ 9.1	- 13.0
24	Bradford	951	8.2	14.7	+ 6.5	- 13.0
25	Southampton	1,420	11.8	14.4	+ 2.6	- 0.5
26	Leicester	942	13.3	15.8	+ 2.5	- 3.0
27	Wales	4,052	7.7	15.3	+ 7.6	- 7.0
28	Aberdeen	1,013	10.1	14.6	+ 4.5	- 1.0
29	Warwick	1,166	8.7	17.0	+ 8.3	+ 4.0
30	London	7,551	13.1	12.3	- 0.8	- 3.0
31	Leeds	2,128	7.3	14.8	+ 7.5	- 2.0
32	Edinburgh	976	17.9	17.9	0.0	- 3.0
33	East Anglia	1,843	11.0	14.2	+ 3.2	+ 0.1
34	Sheffield	1,590	7.9	14.4	+ 6.5	- 2.7
35	St Andrews	567	7.6	17.2	+ 9.6	- 7.0
36	Hull	1,321	3.2	17.4	+ 14.2	- 17.0
37	Kent	935	15.4	17.2	+ 1.8	- 4.7
38	Reading	1,269	13.9	14.8	+ 0.9	- 5.0
39	Lancaster	1,104	6.8	17.3	+ 10.5	- 7.0
40	York	890	6.5	17.2	+ 10.7	- 17.0
41	Keele	591	5.9	17.7	+ 11.8	- 5.9
42	Sussex	867	9.9	16.9	+ 7.0	- 13.0
43	Ulster	323	13.3	13.2	- 0.1	- 20.0

Computer Audit Manager
c. £13,000 + benefits + April 1982 review

Our client is The Joint Credit Card Company Limited which operates Access on behalf of major UK banks. The constant review, development and upgrading of their EDP systems plays a vital part in the success and expansion of their business.

The prime importance of these systems demands the recruitment of a Manager with specialised computer audit experience who will demonstrate organisational and planning ability, first-class communication skills and the qualities of leadership and staff motivation.

The company offer a comprehensive remuneration and benefits package including preferential mortgage, and relocation expenses where appropriate. Applicants should contact Roger Tipler on 01-242 0965 or write to him at 18/19 Sandland Street, Bedford Row, London, WC1R 4PZ.

Michael Page Partnership
Recruitment Consultants
London, Birmingham Manchester

Central London c.£11,500 p.a.

Accountant

Our client is an international law practice, with offices in the UK and the Middle East. The recent growth and increasing complexity of its activities now make necessary the appointment of an Accountant who will co-ordinate the financial function of the practice across its whole operation. Duties will include close liaison with the auditors of the UK and each of the overseas offices, the preparation of all accounts and the development of the practice management information system.

Probably aged mid-thirties upwards, the successful candidate will be qualified and have some years' experience of the financial function in a professional practice. Experience of computerised information systems would be particularly useful. It will be necessary to work closely with staff at all levels up to senior partner, and possibly with clients, so tact and persuasiveness will be required personal characteristics.

The position is pensionable, private medical insurance applies, and some assistance with travel into central London will be given, as it will with any necessary relocation expenses. Occasional travel to the Middle East is possible.

Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to Mr. C. A. Cotton, Executive Recruitment Division, The Stoy-MLH Group, 126 Baker Street, London, W1M 1FH, quoting reference A293.

The Stoy-MLH Group
Management Consultants

A professional approach to

Asset Management

Various Locations Range to £14,000 + car

Asset control is a crucial element in the financial performance of a company, but often underrated. Optimisation of working capital, efficient cash management, and capital expenditure planning and justification, impact strongly on all areas of the business. Our client is implementing an upgrade in the role taken by finance within its operating subsidiaries, to achieve quantifiable improvements in this area.

To make a tangible contribution to this challenging objective, you should be a numerate graduate and ideally a qualified accountant or MBA with relevant experience gained in a sophisticated profit-driven environment. You may be content with your present career progression, but rarely is there this opportunity to enhance your business training through contributing to the achievement of the high performance standards demanded by our client. You must have the desire to influence business decisions, and the personal skills necessary to achieve this. Age range is 25-35.

The company, with revenue exceeding £500 million, is part of a major British multinational whose performance is excellent despite difficult market conditions. Operating subsidiaries are located throughout the UK, and generous relocation assistance is available.

Please reply in confidence giving concise career and personal details and quoting Ref. ER 520/FT to P. J. Williamson, Executive Selection. Please indicate any preferences you may have regarding location.

AMS Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NH

A member of the AMSA Group in Europe and of Arthur Young International

Investment Analyst

Overseas Securities
£10,600-£13,340

Our Client, a major nationalised industry Pension Fund, seeks an Analyst to handle its overseas stock exchange securities and dealings. The Fund has current assets of £1.5 billion, increasing annually by £125m. Ten per cent of funds are invested overseas.

The successful candidate will be involved in formulating and executing investment policy and in monitoring market trends and Fund performance. Candidates should be educated to first degree level or equivalent, and have at least two years investment experience. The appointment is located in Central London.

Please write in the first instance, enclosing details, to the address below. (Reference 946 must be quoted on your envelope. Enclose separately a note of any companies to which your application should not be sent.)

Ronald Fairbairn, Everetts Recruitment
172 Drury Lane, London WC2B 5QA

EVERETTS recruitment

Banking Personnel

FINANCIAL CONTROLLER c. £24,000
Our client a major UK Commodity House requires a qualified accountant (ACA) with extensive experience in banking or treasury exposure, to monitor all aspects of their financial activities with emphasis on credit control.
Please contact Mark Stevens - General Manager

OPERATIONS MANAGER c. £18,000
Credible contenders for this major appointment in the new London branch of an established international bank, will be able to demonstrate a distinguished career in the international banking sector. Experience of opening a new bank is obviously desirable.
Please contact Mark Stevens - General Manager

SYNDICATIONS MANAGER c. £12,500
If your extensive credit analysis background encompasses an appreciation of international syndicated loans and the analysis of sovereign risks, this position offers the opportunity to play a central support role in the Lending Area of a major international bank.
Please contact Trevor Williams on 01-588 0781

CREDIT ANALYST c. £12,000
Your wide experience of analysing UK corporate balance sheets is precisely what is required for this key position in the credit department of a major European Bank. An eventual role in Marketing is a strong possibility.
For further information on these vacancies please contact Trevor Williams on 01-588 0781

41/42 London Wall, London EC2. Telephone: 01-588 0781

Portfolio Management

Assistant Fund Manager aged 23/26

Our Client is part of one of the most prestigious investment groups in the City. The company specialises in Far Eastern investments and operates through offices in London, Hong Kong and Tokyo. The funds under management, which are growing rapidly, currently total nearly \$800m. The appointment will be to work with a small team in their London office.

They seek a person who combines an initial analytical background and an ability to communicate, with an enthusiasm for the investment business. Probably a Graduate, the person will have one to three years' experience of investment gained in a major stockbroker or investment house, and ideally, but not necessarily, will have a knowledge of Far Eastern markets. We regard this as an exceptionally exciting opportunity for the right person.

Our client realises the importance of generous remuneration to secure the best people.

Please write with full details to Colin Barry at Overton Shirley and Barry, (Management Consultants), 2nd floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Telephone: 01-353 1884.

Overton Shirley and Barry OSB

Assistant to Group Financial Controller

Surrey

Highly profitable Group of Companies in the advanced technology electronics sphere with an annual turnover in excess of £16 million, require someone to take responsibility for monthly accounting and a broad spectrum of ad hoc projects as required.

There may be opportunities for overseas travel and a working knowledge of a major European language would be an advantage. Applicants will be recently qualified Chartered Accountants with practical experience of computerised accounting systems. Our client is offering an attractive 5 figure salary, together with fringe benefits normally associated with a company of this stature.

This is an outstanding management opportunity demanding well developed personal qualities.

Please telephone or write, quoting reference 2801.

Guy Redmayne & Partners
Recruitment Consultants
18 Grosvenor Street, London W1X 9FD. Tel: 01-409 0358.

Financial Director AFRICA

c.£18,000 Based West of London

This is an extremely challenging opportunity for a qualified Accountant (at least ACA) with around five years' proven experience in a demanding international environment.

The Company are a major name in the health care/cosmetics markets, and their vigorous overseas operations include representation in several African countries.

The man or woman appointed to this key position will necessarily be meticulous, decisive and utterly self-reliant, capable of initiating realistic budgetary and exchange control policies to reconcile local market pressures with Head Office strategic requirements.

To strengthen your grasp of African trading conditions, a significant proportion of your time will be spent visiting the various locations.

Naturally the rewards match the high level of responsibility. The remuneration package is extremely competitive and includes a bonus, stock participation scheme, prestigious company car and a broad range of other attractive benefits.

If you believe you have the personal and professional qualities - and above all the ambition - to succeed in this post, please write with a detailed c.v. to the Confidential Reply Service, Ref. ABF 325, Austin Knight Limited, 66a High Street, Egham, Surrey TW20 9EY.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

Austin Knight Advertising

YOUNG QUALIFIED ACCOUNTANT

City c. £10,000 + benefits

Our client is a well-known U.K. listed group whose diverse trading operations extend throughout the world.

A vacancy exists for a qualified accountant, preferably a graduate aged 25-30, who is required to join the Head Office finance team. He/she will be involved in the wide-ranging duties applicable to an international group including the review of accounts, planning returns and monthly reports received from group companies world-wide, and their computerised consolidation into the annual Group accounts and financial reports for submission to the Group Board, all to high professional standards. Occasional short-term accounting support may also be required to be given to operating companies in the U.K. and overseas.

Applications under Ref. No. RC182 to: Miss Marlon Williams, Extel Recruitment, 4 Bourverie Street, London EC4Y 8AE. Tel: 01-353 5272.

Extel Recruitment Executive Selection Consultants

Assistant to Company Secretary

As a result of a reorganisation of responsibilities a vacancy has arisen for the post of Assistant to the Secretary of the British Electric Traction Company Limited, whose office is situated at the Group's Headquarters in Piccadilly.

In addition to assisting the Secretary in all aspects of his work, the Assistant will have overall responsibility for the provision of administrative services at the Head Office.

Applications are invited from suitably qualified candidates who should have several years' experience of work at a responsible level in the secretariat of a large company.

The Company offers interest-free season ticket loans, subsidised staff restaurant facilities, contributory pension scheme and membership of B.U.P.A.

Salary will be in accordance with qualifications and experience.

Replies, in confidence, please, giving full career details to:

The Secretary
The British Electric Traction Company Limited
Stratton House
Piccadilly, London W1X 6AS

FX DEALER c. £14,500
Leading European Bank, open to expansion, seeks an additional FX Dealer. Ideally you will be 25-30 years old with a minimum three years' experience in spot, dollar, sterling, gold, work record and a willingness to progress.

FINANCIAL REP c. £12,000 + Mortgage Sub.
Leading finance house seeks an experienced field representative, conversant with corporate finance to open new territory. You will receive a competitive salary, company car and expense. Excellent career prospects.

Phone MICHAEL KATZ 081-629 7888 1 ALBEMARLE ST, W1

BARNETT BANKING A Division of Standard Bank

مكتبة النور

مكتبة المجلد

Export Credit Manager

c.£15,000+car

An expanding and successful high technology British Group (T/O £1 bn) wishes to add an Export Credit Manager to its Headquarters Staff based in Greater London. The position holder will advise subsidiary trading companies on contractual and financial matters at the pre-bid stage and assist in contract negotiation and drafting to ensure that the maximum security of payment is achieved. An individual is required with at least 6 years' experience in negotiating and operating ECGD Credit Insurance and associated finance facilities, some of the experience being with an industrial company. Involvement in major export contract negotiations will require a willingness to travel abroad at short notice. The position involves a wide range of contacts both inside and outside the Group and requires the ability to act as the interface of a senior level between the Group and numerous Governmental and Financial Institutions.

Applicants, male/female, should preferably be in the age range 28-35. Please write, quoting ref. 6081 to:

Brian Mason
North West House
119-127 Marylebone Road
London NW1 5PU

Mason & Nurse
Selection & Search

Marketing Offshore Funds Major Investment Company

c £25,000 neg. + Car

Our client, the international investment arm of one of the major banking and financial groups, seeks a person to market a wide range of offshore products which includes specialised investment funds, insurance policies and investment management. The person concerned will probably work for a unit trust group, a major insurance broking house or a stockbroker with a developed interest in this field. The job is London based, reports directly to the Chief Executive and calls for someone with at least five years' experience of the financial planning industry. This should include selling to brokers and other professional advisors, together with a knowledge of offshore products. Preferred age 28/37. The initial task will be to develop and extend relationships with brokers by visits, seminars etc but in the longer term there is a definite marketing role which will include new product development and control of advertising. Remuneration will be by salary and commission which will be guaranteed in the first year, and this could be negotiated to a higher level for the ideal candidate.

Please write with full details to Colin Barry at Overton Shirley and Barry, (Management Consultants), 2nd floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Telephone: 01-353 1884.

Overton Shirley and Barry OSB

Financial Analyst

to £13,000+car Essex

This is an opportunity for a Chartered Accountant aged 26-28 with two years industrial post qualification experience to make a career move to a Divisional level position in a large and successful Group.

The Analyst will be responsible to the Divisional Finance Director for analysis of business trading performance and forecasts; preparation of financial information and reports for the Divisional Board; a wide range of ad hoc work including the review of various business and investment proposals and participation in accounting systems development projects.

The position involves contact at senior finance level in the Division's substantial operating companies and of Group Centre. The successful applicant will be expected to progress to a line appointment in an operating company after a successful period in the analyst role.

Please apply in confidence quoting reference 6082 to

Brian Mason
North West House
119-127 Marylebone Road
London NW1 5PU

Mason & Nurse
Selection & Search

Hanson Trust PLC Company Secretary

Hanson Trust requires an able, ambitious accountant or lawyer to join its small central management team in London as Company Secretary. Hanson Trust, with a market capitalisation exceeding £300 million, has an eighteen year record of uninterrupted growth which makes it one of the most successful UK public companies of the past two decades. It is committed to a continuation of this growth in the UK and the USA, both organically and by acquisition.

Many of the senior management positions in the group are currently held by former members of the central team and this position therefore offers challenging opportunities for an ambitious and energetic individual. Applicants should be around 27 to 35 with a good academic background and a successful, progressive record in the professions, commerce or industry.

A substantial salary will be paid with generous fringe benefits. Applications should be made to:

Sir James Hanson
Chairman
HANSON TRUST PLC
180 Brompton Road
London SW3 1HF

Financial Director High Growth Company

South West Hants c.£17,500 + car

The company produces high value capital assets for a specialist market, is highly profitable and strongly entrepreneurial in nature. It has ambitious plans for the future, including the possibility of a public flotation. Turnover is currently around £7m and growing rapidly.

The Financial Director will join the senior management team leading the company through this stage of its development and after. Day to day running of the account's department and implementation of computer systems will be carried out by a recently appointed Chief Accountant. Beyond directing a responsive accounting function, the position will play a major part in all operating decisions and will deal effectively with external contacts.

Candidates must be qualified accountants, aged in their late 30's. They must have a number of years successful senior level experience in a competitive small to medium sized company environment. They will be able to demonstrate a hard business orientated approach to their commercial decision making skills.

Please reply in confidence giving concise career and personal details and quoting Ref. ER525/FT to I. D. Tomisson, Executive Selection.

AMS Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NH
A member of the AMSA Group in Europe and of Arthur Young International.

Business Development Executive

The British Linen Bank Limited (the merchant banking subsidiary of Bank of Scotland) is seeking an Executive who will make a substantial contribution to the further development of the Bank's corporate business in England and Wales.

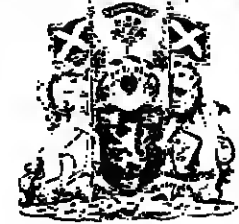
The successful applicant will be expected to live in or around the London area and will operate from the Bank's London Office. Assistance with relocation will be given if necessary.

Candidates must be willing to be part of a small, energetic business development team and, if successful, will have the opportunity of further career development in this fast expanding Merchant Bank. It is essential that they have had some

exposure to Senior Financial Management of Corporate clients and applicants must be able to communicate effectively at this level. They must also have imagination and the ability to seek out business opportunities for the Bank and be able to negotiate transactions to a successful conclusion. Some previous banking experience would be an asset but this is not an essential requirement.

It is preferable that candidates have a good University degree or professional qualification and the desired age group is 27-35.

A competitive salary will be offered, together with usual fringe benefits including a preferential mortgage scheme, non-contributory pension and car.



THE BRITISH LINEN BANK LIMITED

Male and female candidates should send fully comprehensive cv. to Mr. M.D. McPhail, Director, The British Linen Bank Ltd., 55 Bishopsgate, London EC2N 3NN.

Group Accountant London EC2 To £13,000

In these days of recession our clients, an international firm of investment managers, have doubled their turnover during the last twelve months. As a result, they are strengthening their Head Office team, confident that the rate of expansion will continue. The successful candidate will report to the Group Financial Controller and be responsible for the preparation of monthly and annual accounts, cash flow forecasts, profit analysis using financial models via micro computers and various 'ad hoc' exercises. Candidates: (male/female), must be qualified accountants in their mid 20's preferably with a degree. There are excellent career prospects and a non-contributory pension scheme is in operation. Ref 1219/FT. Apply to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0166.

Phillips & Carpenter
Selection Consultants

FINANCIAL DIRECTOR (Designate)

Swindon, Wiltshire c. £14,000 + car

Isla Plant Limited, a subsidiary of Isla Industrial Services PLC—one of the leading hirers of construction equipment in the UK—requires an exceptionally able financial manager to join a young and forward-looking management team as head of the finance function.

The successful applicant, who will be appointed to the Board within twelve months, will be responsible for all aspects of the financial control and planning of the company's business. This job, which is the number two position in this major national plant hire operation, will require a person who possesses confidence and strong commercial experience.

Candidates, male or female, and preferably graduate chartered accountants, must be able to provide evidence of outstanding career achievement in commerce or industry, together with imagination, determination and good communication skills.

A starting salary of around £14,000 is envisaged. A company car will be provided, and in addition to the other usual fringe benefits, assistance with relocation will be given where appropriate.

Please write, giving brief details of qualifications and experience to date, or telephone for an application form to:

Alan J. Webber
ISLA PLANT LIMITED
Swindon Road
Swindon
Wiltshire
SN1 2PT
Tel: Swindon 28223

Advertisement Representative

The Financial Times Business Publishing Ltd. is looking for an ambitious Advertisement Representative to work for The Banker magazine.

The successful applicant should have a good educational background, and knowledge or experience of the banking industry would be valuable along with one or two European languages.

This position has considerable career potential and a competitive salary plus 5 weeks holiday and group pension scheme are offered.

If you are interested please write with full details to:

The Marketing Director
The Banker
Minster House
Arthur Street
London
EC4

ROBERT HALF

Accountancy & Financial personnel specialists

FX-MARKETING £ Neg.
The U.K. branch of a leading international bank seeks an experienced trader to market certain aspects of fx. Having gained a sound knowledge in fx trading you will already be involved with a marketing function. Knowledge and sound working experience of swaps a distinct advantage.

DEPO./TREAS. £15,000 Neg.
A progressive European bank requires an experienced depo./treasury person for its London branch. This new position arises due to the success of the existing team. Working closely with the Manager, excellent knowledge of depo's, and all major money instruments is paramount.

ASS. BOND DEALER £13,000
Our client, a subsidiary of a leading bank requires a trader to look after its bond trading commitments. Main dealings will be in 5 straight but other currencies and trading in floating and convertibles will be involved. This is an excellent opportunity for a young trader seeking all round involvement.

E.C.G.D. £ Neg.
A prestigious international bank seeks to recruit a specialist in E.C.G.D. Apart from the usual areas of competence required a specialist knowledge in project financing would be a distinct advantage. It is envisaged that suitable candidates will be under 40 with 5/10 years relevant experience.

SHIPPING OPERATIONS - ASS. MNG. c.£11,000
London based international seeks an experienced shipping operations manager to supervise and control the shipping activities. Experience in finance and shipping is essential and this will have been gained in a banking environment. Age range mid 20's to early 30's preferred.

CREDIT MANAGER £ Neg.
A Credit Officer is required for the well established London branch of an international bank. Working closely with the lending officers the appointee will control worldwide. Relevant experience is essential.

CORPORATE FINANCE £ Neg.
Applications are invited from 'first class' AGAs with corporate finance or investigations experience who are looking for career move.

Lee House, London Wall, London EC2Y 5AS Tel: 01-606 6771

Financial Analyst

c.£11,000 London

Your responsibilities will include data collection and analysis for budget purposes, development of reports on profit performance, cash flow forecasts and special projects.

Candidates should be qualified/part qualified accountants or have a degree in a relevant discipline and demonstrate at least three years' practical experience in the areas of profit forecasting, variance analysis and management reporting. The ability to work as part of a small professional team in a dynamic business environment and to communicate effectively with other offices and disciplines are considered essential attributes.

In addition to the quoted remuneration, an outstanding range of fringe benefits is offered, including a commuting allowance, free medical insurance and an excellent pension scheme.

Getty...
"the single most successful name in oil"
Getty's International Oil Exploration and Production Division based in Los Angeles covers many operations throughout the world. The growth of Getty's European activities is reflected in the significant expansion of our London based management and professional staff. No exception is the financial group where we now seek to fill a new key appointment.

Please send full C.V. or telephone for application form, to: Jeremy Forty, Getty Oil (Britain) Ltd., 1 Butler Place, London SW1. Telephone: 01-222 7766.

Getty oil
(Britain) Limited

Consulting Engineers ACCOUNTANT Administrator

Central London c.£16,000

Established for over 20 years, a small but noted firm of Consulting Engineers is looking for a qualified Accountant to assume the financial responsibilities which have been carried out until now by the Senior Partner who will be retiring in due course. The administrative duties of Company Secretary will add interest and responsibility to this appointment. Preferably aged 30-40, the man or woman appointed will have had several years successful experience in a responsible position with an organisation where competent project accounting and administration are the key to profit achievement. An understanding of financial terms and conditions applicable to A.C.E. contracts would be an advantage.

Please write or telephone for a personal record form to the Company's consultant, Ronald M. Hill, Premier Management Consultancy, 16 Kingston Hill, Kingston upon Thames, Surrey KT2 1NB, telephone 01 549 8624.

Premier

Banking Personnel RECRUITMENT CONSULTANT

Age: 25 - 35 c. £10,500

Since its inception in 1977, the name of Banking Personnel has become synonymous with the very highest standards of professionalism in the field of bank staff recruitment. In order to maintain our present level of growth in an expanding but highly competitive market, we now require an additional consultant to augment our close knit team of successful consultants. Whilst previous experience of banking recruitment is desirable, we would also be interested to hear from anyone with a good solid banking or specialist agency background. The successful candidate will be personable, articulate, and self-motivated, with a genuine interest in furthering the career objectives of our candidates. In addition to an extremely competitive salary, we offer a generous results related payment scheme, and the security of working for a highly successful division of a major UK Group of Agencies.

Please contact our General Manager MARK STEVENS on 01-588 0781 in strict confidence.

OUR NAME IS YOUR GUARANTEE OF CONFIDENTIALITY.
#1/42 London Wall, London EC2. Telephone: 01-588 0781

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Chief Executive FINANCIAL FUTURES

A leading international financial group which is a member of the London International Financial Futures Exchange wishes to attract a Chief Executive to take overall responsibility for this important new area of business.

Joining a well qualified team, the Chief Executive will be responsible for the development and implementation of a marketing strategy, concentrating initially on the already well established international and domestic client base.

Probably aged between 30 and 45, the ideal candidate should have extensive experience of marketing sophisticated financial services to the international financial community, gained either as a broker or dealer in financial futures or foreign exchange, gilts or bonds. Strong leadership qualities and marketing skills will play a key part in the development of the operation.

As our client seeks a candidate of high calibre and professional integrity a substantial base salary is offered with profit related bonus and generous benefits.

Please reply in confidence with full details to:
Box A7728, c/o Financial Times,
10 Cannon Street, London EC4.

A.I.B.'s

An opportunity to develop your banking career into Internal Audit - internationally.

Kleinwort Benson Limited is Britain's largest international Merchant Bank with offices in many parts of the world. The Bank's Internal Audit Department performs the vital function of examining, evaluating and reviewing its operational administrative systems, procedures and transactions.

It is into this stimulating environment we now wish to recruit a banking professional I.A.B., preferably with experience of foreign exchange operations as an additional Audit Senior. Audit experience is not necessary as full support and training in the Bank's auditing techniques will be provided.

The successful candidate will be dealing with a range of people at varying levels and will, in due course, frequently visit the Bank's overseas offices. Therefore applicants should be confident, presentable and capable of clear expression both orally and in writing; an analytical mind coupled with a good education is essential.

An attractive salary is offered and benefits include subsidised mortgage, free pension/life insurance, restaurant, L.V's, BUPA and season ticket loan.

If you would like to develop and enhance your banking career in the growing area of bank auditing, please write with details of your experience to date to:

Tony Hatton-Gore, Personnel Officer,
Kleinwort Benson Limited, Merchant Bankers,
20, Fenchurch Street, London, EC3P 3DB
or telephone 01-623 6000 for an application form.

KLEINWORT BENSON
Merchant Bankers

HEAD OF BULLION TRADING

Prominent International Merchant Bank

Our Client is a distinguished International Bank with an acknowledged reputation for the professionalism and success of its trading activities. The current requirement is to establish a new and effective bullion trading operation, with the intention of developing a notable and profitable presence in the international markets.

Candidates, probably in their late 20's, must possess several years' experience of the bullion markets in London or overseas which should combine proven trading expertise with a sound appreciation of systems.

This represents a significant opportunity to make a substantial contribution in an environment where the rewards will amply reflect the importance and commitment attached to the appointment.

Contact Norman Philpot in confidence
on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside, London EC2 Telephone 01 248 3812 3 4 5

MANAGER OF FINANCE AND ADMINISTRATION

Oxford c £16,000 + car

Our client is the UK marketing arm of a multi-national company in the health care industry.

Initially, the manager of finance and administration will be responsible to the managing director for all financial and accounting functions plus distribution, inventory control and computer facilities. Further responsibilities may be added in due course and there are excellent long term prospects in wider management roles.

Applicants should be graduates, probably qualified accountants, with the ambition to progress in a multi-national environment. Previous experience must include financial controllership in a substantial company. The expected age range is 27 to 36.

In addition to a salary of around £16,000 and a car benefits include a bonus scheme, contributory pension, life and health insurance and relocation assistance.

Please send brief personal and career details, in confidence, to Douglas G Mizon (Ref FT112M) at the address below.

E & W Ernst & Whinney Management Consultants
57 Chiswell Street, London EC1Y 4SY

Assistant to the Group Treasurer

Waterloo

The Costain Group is a major international contracting group operating in the UK and overseas. Due to the continued expansion of the work of the Treasury function we now require an additional Assistant to our Group Treasurer.

This new post will primarily involve monitoring group cash and currency requirements and investing surplus funds in the international money markets. However candidates should also be able to demonstrate an ability to deal in forward exchange markets and will have had some exposure to bank guarantees/contract bonding. This is a challenging and exciting new opportunity that will appeal to a self motivated person who is determined to succeed in a stimulating environment.

A realistic salary, reflecting age and experience, will be paid to the successful candidate together with an excellent fringe benefit package.

Please write with full career details to:
Mr. M. Clarke
Personnel Manager
Richard Costain Limited
111 Westminster Bridge Road
London, SE1 7UE.

Hoggett Bowers

Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Analyst

Young MBA
Kuwait, to £18,000 nett, + car, accom. etc.

Our client is a Kuwaiti owned multinational with business activities worldwide and a turnover approaching the \$bn. mark. Reporting to the Vice President-Finance the successful candidate will review a wide variety of proposals relating to both Middle East and other activities. This analysis will provide management with recommendations on business development and acquisitions. Applicants will be aged 25-30, with an MBA or a relevant degree and a minimum of three years' practical experience. They will have used sophisticated business analysis techniques and be both numerate and articulate. The company enjoys an excellent reputation and there is significant scope for career development.

N.P.S. Lilley, Ref: 22305/FT. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6852.
Sutherland House, 5/6 Argyl Street, LONDON, W1E 0FZ.

Examining Accountant

c. £13,000

To strengthen personal liaison with our member firms and so ensure that the Council's regulatory and liquidity requirements are met, we are seeking an additional accountant to join a small professional team.

The work is varied and demanding. You will hold a key position responsible for the financial surveillance of particular firms. This will involve close contact with council members' finance/administration partners, the accountancy profession and our own senior executives. In preparing and presenting reports and advising committees as necessary you will inevitably need to be aware of and contribute to related policy issues.

You should be professionally qualified with experience of the securities industry and have a working knowledge of The Stock Exchange procedures, partnership and company law and taxation. Self motivation and effective communication skills are both essential.

This salary will be under review in March and our comprehensive benefits package includes non-contributory pension, fully paid season ticket scheme, free BUPA, 5 weeks' annual holiday and assistance with relocation expenses where appropriate.

Please write fully or telephone for application form to Jennifer Gregson, Senior Personnel Officer, The Stock Exchange, London EC2N 1HP. Telephone 01-588 2355. Ext. 8883.

The Stock Exchange

INSTITUTIONAL SALES EXECUTIVE

Sun Hung Kai Securities (UK) Ltd. are looking for an experienced institutional sales executive to head up the Singapore/Malaysian desk in their London office.

Previous exposure to the area is preferred. It is envisaged that after an initial period with our Singapore office the successful applicant will then be given the responsibility of running the Singapore/Malaysian desk.

A competitive compensation package will be paid according to experience and ability.

Please reply in the first instance to:-
Executive Director
Sun Hung Kai Securities (UK) Ltd.
13 Sherborne Lane
London EC4N 7SL

Financial Planning Analyst

Private Banking International

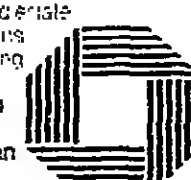
The Chase Manhattan Bank N.A., a leading international bank, with a world-wide presence, is currently seeking a Financial Planning Analyst for its Private Banking Division based in the City of London.

This position has been created to assist the relationship managers in marketing and managing the personal accounts of high net worth individuals and corporate executives, as well as preparing specialized financial plans for our clients.

The successful candidate will be a graduate in his mid-thirties with proven analytical skills and an in-depth knowledge of a complete range of banking products and financial services including tax, investment management, debt and cash management, insurance and estate planning. This individual will have excellent interpersonal and communication skills at all levels and possess a thorough understanding of international banking operations.

A competitive salary will be supported by the wide range of benefits you would normally expect from a major international bank.

Please write with a comprehensive cv to: Personnel Dept, Chase Manhattan Bank N.A., Woolgate House, Coleman Street, London EC2P 2HD.



CHASE

DATABANK DEVELOPMENT MANAGER/ESS

Financial Times Business Information Limited requires an experienced statistician with project management experience in the development of computer-based systems for storing and analysing numerical data. The person recruited will assist in the development and implementation of on-line economic and financial data banks.

Basic qualifications are: a degree in a numerate subject including statistics; experience of using statistical computer systems; and preferably experience in general economic and financial areas. Salary in the range £8,000-£9,000 pa.

Please apply in writing to:
Susan Smith, Personnel Officer
The Financial Times Limited
Brackley House, 10, Cannon Street
London EC4P 4BY

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Banking Opportunities

- LOANS SYNDICATION** c£16,500
An international bank requires an experienced loans syndicator aged early 30s to join a team in the development of short and medium term loan transactions in the international capital markets. An ability to speak English and Spanish is essential.
- EUROBOND DEALER** c£12,500
A Eurobond Dealer is required by a major foreign bank. Applicants should be aged in their 20s, hold at least 2 years' experience in Floating Rate Notes, fixed interest securities and convertibles.
- MANAGEMENT ACCOUNTS** c£11,000
A newly qualified accountant, aged late twenties, is required by an international bank to work on management information and accounts. Experience in management accounting or in bank audits would be useful.
- CREDIT ANALYST** c£12,000
A major bank seeks UK international credit analyst experienced in spreading of all types of financial statements and preparing financial and profit reports. At least two years' experience in credit analysis required and a working knowledge of Spanish Portuguese useful.
- BOND DEALER** £neg.
An international bank requires a Floating Rate Note Dealer in their 30s with 3 years' experience. Applicants must be true professionals and know the market.

LJC Banking Appointments Ltd.
170 BISHOPSGATE, LONDON EC2M 4LX
01-283 9953

ACTUARIAL STUDENT

Are you too good for your current position?

Would you prefer a demanding and rewarding position with a leading firm of Consulting Actuaries?

Due to continued expansion Clay & Partners have a vacancy for an ambitious student who should be nearing completion of the examinations of the Institute of Actuaries. The successful candidate will be based in the West End of London and will assist a partner, largely in the provision of advice to the Trustees of private pension schemes. This is a demanding role which should appeal to someone who has an ability to communicate as well as the usual technical skills. Experience of pensions work would be an advantage but would not be essential for an outstanding candidate.

The initial salary will reflect experience and examination progress to date.

The prospects on qualification and beyond are considerable.

Applications giving full details of qualifications and experience will be treated in strict confidence and should be submitted to:

B. Tatch, Esq., B.Sc., F.I.A.,
CLAY & PARTNERS,
70, Brook Street,
London, W1Y 2RN.

MANAGING DIRECTOR

required for expanding Group of Engineering/Electronic Companies

We are seeking an experienced Managing Director, or General Manager, with proven marketing flair, who will meet the challenge of providing the leadership and man-management ability to develop the full potential of the Group.

The salary negotiated will reflect the responsibility of the appointment and the calibre of the appointee. Remuneration package incorporates commensurate benefits of company car, pension scheme, life assurance, etc.

Preferred age range is 35-50

Please write, in the first instance, giving career details, salary progression, etc., to:-
H. Pratt, Secretary and Director
DRALLIM INDUSTRIES LIMITED
Brett Drive, Bexhill-on-Sea
East Sussex TN10 2JP

FINANCE DIRECTOR (LONDON)

International Management and Engineering Contracting Company in the Oil and Gas Field seeks a FINANCE AND COMMERCIAL DIRECTOR. The successful applicant, in addition to Financial Control will be responsible for the Company's Contracting and Legal Administration. F+CD must have thorough understanding of contract negotiations and experience of joint venture and subcontract negotiations.

The salary and fringe benefits will be attractive to the right person.

Please write with full details to Box A.7729, Financial Times, 10, Cannon Street, EC4P 4BY.

McCAUGHAN DYSON & CO.

Members of The Stock Exchange of Melbourne Limited

AUSTRALIAN SHARE ADVISOR

Experienced institutional advisor required for our well-established London office.

We are looking for someone, preferably well versed in the Australian share market, who can fit into our progressive team of dealers and actively contribute to the continuing growth and servicing of our clientele in the United Kingdom, Europe and North America.

With the back-up of a strong research department and very capable dealing team in Melbourne and Sydney, prospects for the right person are excellent.

Please apply in writing, including personal details and experience, to:

PARTNER
McCAUGHAN DYSON & CO.,
3 Bow Lane, London, EC4M 9EE.

All applications will be treated in the strictest confidence.

EXPORT FINANCE EXECUTIVES

£10,000-£18,000

Three European banks and one major American bank require executives with experience of marketing and administering export finance services (buyer/supplier credits, etc.) on a global basis. In addition to proven marketing skills applicants should have good technical (documentation) experience.

Please telephone Brian Gough.

SENIOR DEALER
to £18,000

Experience in Sterling as well as F/X dealing, deposits, arbitrage, spot and forward is required for position with prominent international bank.

Please telephone John Webster.

Jonathan Wren EARLY RECRUITMENT CONSULTANTS
170 Bishopsgate, London EC2M 4LX 01 623 1266

WANTED: SLIGHTLY USED EXECUTIVES

If you are an able, experienced executive or professional person, yet somehow are not making the most of your potential, perhaps you need a new approach to your career.

To learn how 'slightly used' executives have probably renewed their careers, telephone for a free, confidential appointment with a consultant, or send us your cv.

CHUSID London: 01-580 6771 35-37 Fitzroy St. W.1.
Manchester: 061-228 0089 Smeley Building, Piccadilly Plaza.

The European Division of a prominent American high technology group (T.O. £200M) requires a:

Financial Controller (Europe)

This is an exciting opportunity brought about by the rapid growth of the company's subsidiaries in Europe (T.O. £60M). The company itself is involved internationally in high technology instrumentation and communication projects.

A high level of professional and managerial ability is required to re-organise and consolidate the financial management of this Division. Linguistic ability is required with fluent French and good German and/or Italian. At least 3 years involvement in high technology industry, ideally electronics, is also required, together with a professional knowledge of computer based financial management.

There is an excellent career potential within this widespread group, with a generous remuneration package related to experience.

West London Age 30-40 Salary circa £18,000

Applicants matching these requirements should contact me as soon as possible quoting RB.

I Robin R Whalley
A INTERNATIONAL APPOINTMENTS (LONDON) LTD
 (Executive Recruitment Consultants) Cable: Interapp, London SW7 Telex: 912881
 Greater House, 60-62 Haymarket, London SW1 4RZ Telephone: 01-839 1062 & 01-839 2321

APPOINTMENTS ADVERTISING

APPEARS EVERY THURSDAY

RATE £29.00 PER SINGLE COLUMN CENTIMETRE

Merchant Banking

As a result of continued expansion, Bank of America International is seeking suitably qualified and experienced professionals for the following newly established positions:

Deputy Operations Manager

Responsibilities will encompass the full range of operations duties in an international environment. The successful candidate will have 2-4 years' accounting experience gained in the computerised accounts department of a bank. Preference will be given to those already in a supervisory capacity who can demonstrate the ability to manage and motivate a team providing a range of services, including communications systems, data processing, office management and Central Bank reporting.

Head of Control Department

To supervise and manage a small team responsible for internal controls. The successful candidate will have a minimum of 2 years' experience in a supervisory capacity in an internal audit/control department of a bank. Remuneration packages will be in line with best banking practice and will reflect the importance of these key appointments.

Write with full personal, career and salary details to Sylvie Adams, Personnel Manager, Bank of America International Limited, St. Helen's, 1 Undershaft, London, EC3A 8HN.

BA BANK OF AMERICA INTERNATIONAL LTD

TRUST ACCOUNTANT IN MERCHANT BANKING

You understand trustee accounts and taxation, having probably gained your professional experience in a solicitor's or accountant's office, an insurance company or a bank. You have the drive and ability to co-ordinate the work of others efficiently and effectively.

Here is an opportunity to manage the accounts team that records transactions and produces accounts for a large and varied portfolio of trusts. Liaising with bank directors, investment departments and client trustees the responsibilities include work scheduling and planning changes in systems.

The excellent benefits package includes a salary of about £10,500 plus mortgage facilities and free lunches which can add a further £3,000. In addition there are valuable medical insurance, pension and life assurance schemes.

Interested? Then telephone me, Sue Jagger as advisory to the company for a discussion, or for an application form. Alternatively write to me in confidence at Cripps, Sears and Associates, Barge House, 88/89 High Holborn, London WC1V 6LH. Telephone: 01-404 5701 (24 hours).

This position is open to both men and women.

Cripps, Sears

ADMINISTRATOR

Old-established family business operating in service/manufacturing industry as exporters. Turnover £2.5 million with appropriate profits. Seek an Administrator of strong character with knowledge of accountancy. Equity available but not conditional. Company is strong financial position and currently participating in extensive export trade operating from London area.

Apply in strictest confidence to: Box A7732, Financial Times, 10 Cannon Street, EC4P 4BY.

International Appointments

SR. CREDIT MANAGER

Muscat (Circa US\$ 35000 p.a. tax free) - excellent perks

One of the largest Oman banks wishes to recruit a dynamic Credit Manager to head their expanding credit department. The Credit Manager will report to the General Manager of the bank and will be based at the head office at Muscat. Currently the bank has 10 branches in the Sultanate of Oman and a loan portfolio which is growing at 20% per annum, of around US\$ 90 million.

The Credit Manager will need to formulate and implement credit policy; manage a professionally staffed credit department and interface effectively with branch managers and customers alike. An important immediate task would be to design and implement credit, business policy and marketing seminars for branch managers.

Applicants should have had sound credit training with an international/progressive bank and a minimum 3 years credit lending experience. An outgoing personality, an ability to work as part of an international team (the bank is managed by one of the largest banks in the USA), and an innovative approach to business development are essential attributes. Candidates in their thirties with Middle East experience will be preferred.

Whilst the starting salary will be negotiated around US\$35000 p.a. (tax free) the bank is flexible enough to pay the right sum to attract the best talent. Perquisites are excellent and include free furnished accommodation, car, bonus, medical coverage, annual family leave passages, generous education allowances and leave.

Initial interviews will be held in London/Bombay/Bahrain/Dubai.

Applications, which will be treated in strict confidence, should be sent within 10 days to:

A.F. Ferguson & Co.
 P O Box 7219 Dubai, U.A.E.
 giving full details of age, qualifications, previous credit experience and salary drawn. Applications and envelopes should be marked "Ref. MS/3013"

Divisional DP Managers

A major multinational Group expanding its central and London based DP activities requires Managers for its Industrial and Physical Metal Trading Divisions.

Primary duties will be to develop, co-ordinate and implement computer systems in line with company strategies and policies, utilising small and interchangeable teams, on an international scale.

Applicants, male or female, will be graduates or equivalent, ideally with post-graduate business training. In the age range 30-40. Substantial experience of implementing accounting and general commercial computing systems in either an industrial or trading environment is essential, as well as familiarity with mini computers for on-line systems.

Comprehensive CVs with details of present salaries should be sent to the Group Personnel Manager, Amalgamated Metal Corporation Ltd, Adelaide House, London Bridge, London EC4R 9DT.

AMC Amalgamated Metal Corporation

Fund Managers (2)

Major Investment Company to £18,000

We have been asked by our Client, the investment arm of a major Accepting House, to find two outstanding Fund Managers. Our Client is one of the largest forces in the investment scene and operates across the full range of pension fund management, unit trusts, corporate funds etc.

They now seek two: men/women, almost certainly graduates, in their late twenties or early thirties with a minimum of five years' experience of investment gained in research based organisations.

Pension Fund Management

The person appointed will already be working in the pensions area and will preferably have experience of local authority accounts. There is likely to be a considerable marketing element to the job.

Unit Trusts

This job calls for a person who combines both analytical and fund management skills. The ideal person is likely to be an Analyst/Fund Manager with a stockbroker/insurance company bank who wants to move into specialist fund management.

As well as a generous remuneration figure, which will include a bonus element, there are the usual banking benefits such as a subsidised mortgage etc.

Please write with full details to Colin Barry at Overton Shirley and Barry, (Management Consultants), 2nd Floor, Akeley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-353 1884.

Overton Shirley and Barry OSIB

CHIEF DEALER

Paris Office of major international bank

Major international bank in Paris seeking to expand its foreign exchange and money market operations requires a Chief Dealer to assume the responsibility for the day-to-day running and control of its dealing room activities, reporting direct to the bank's treasurer.

Applications are invited from dealers who occupy similar posts or have a minimum of 5 years experience in all aspects of the activities of a dealing room, including French Franc treasury and Eurodeposit operations and who are prepared to accept a challenging and interesting opportunity.

The successful applicant who should at present be working in France, must have good command of English and will be expected to have a thorough knowledge and understanding of the Paris market as well as that of the international markets.

The salary is negotiable and will reflect the importance of the position.

Applications in writing to include C.V., photograph, salary and telephone number should be addressed to Heves Contact, 156 bd Haussmann 75008 Paris under reference 39194.

MANAGING DIRECTOR (LONDON)

An International Engineering Contracting Company seeks a SENIOR EXPERIENCED CHIEF EXECUTIVE with a proven record of the Management and Engineering Contracting in the Oil and Gas Field.

The applicant must be profit-conscious, with strong financial and budgetary disciplines and should be able to make a constructive contribution to the Company's continued growth.

Salary and fringe benefits will be attractive to the right person.

Please write with full details to Box A.7729, Financial Times, 10, Cannon Street, EC4P 4BY.

ROBINSON COLLEGE CAMBRIDGE

SENIOR BURSAR

Robinson College intends to appoint a Senior Bursar to take office as soon as possible. The stipend will be at Professional level (at present £18,270 per year). The duties are financial and administrative. The appointment is full time, but a person wishing to pursue academic work within the University might be considered for a part-time appointment at a stipend to be negotiated.

Further particulars can be obtained from The Warden, Robinson College Cambridge CB3 9AN to whom applications should be sent by 1st March, 1982.

TOP BROKER CONSULTANTS

AGE up to 45

Attractive salary guaranteed + substantial commission + subsidised house purchase scheme + company car.

You have heard all about us - our performance record - our range of broker designed contracts and our professional approach to brokers. Are you good enough to become part of our small but expanding team? We are looking for three consultants based in SUSSEX/HAMPSHIRE - SOUTH LONDON - CORNWALL/DEVON/SOMERSET.

We are also looking for a Regional Manager based in WEST MIDLANDS.

If you are looking for a career with one of Britain's leading linked life offices and are self-motivated, enthusiastic and experienced in the marketing of linked plans to brokers, write to: David Evans, Agency Manager, M&G Life, 91-99 New London Road, Chelmsford CM2 0PX. Telephone: (0245) 516551.

M&G Life

Advertisement Representative

A challenging opportunity has arisen at The Financial Times Business Publishing Ltd. for a young energetic salesman/woman to work for the Investors Chronicle magazine.

The successful applicant must be self-motivated and able to work with the minimum of supervision. A good level of education - minimum "A" level - and the ability to sell advertisements in a highly competitive market are necessary for this position.

A competitive salary and company car are offered together with group pension scheme and five weeks' holiday.

If you are interested please write with full details to: Jeremy Nelson, Deputy Advertisement Director INVESTORS CHRONICLE Greystoke Place, Fetter Lane, London EC4A 1ND or telephone him on 01-405 6969.

UK Representative Financial Services

A Swiss-based international foreign-exchange advisory and portfolio management group wishes to appoint a representative who would act in a self-employed capacity to market its services in the United Kingdom.

The successful applicant must be mature (unlikely to be under 35) and a self-starter, and ideally should have knowledge and/or experience in foreign exchange and international finance.

Please send details of career to-date to: Ref. CWR/C Reed Taylor Management Consultants Devonshire House 146 Bishopsgate London EC2M 4HB

Reed Taylor Management Consultants

CREDIT ANALYST

To £11,500

Capable banker (to age 32), with at least 2 years analytical experience sought by respected North American Bank. Opportunity for progression to marketing role.

JNR. CREDIT OFFICER To £10,500

Expanding International Bank seeks Banker (to age 33) with several years experience in loans administration, with emphasis on international lending.

Other good positions offered in FX, Accounts, Credit etc.

Contact Gordon Brown - 01-248 6071 ALANGATE BANKING RECRUITMENT CONSULTANTS 78 Queen Victoria Street, London EC4

MIKE POPE & ASSOCIATES BANK RECRUITMENT CONSULTANTS

Experienced Money Brokers	£ negotiable
FX Dealers	to £16,000
Graduate Lending Officers	to £16,000
Asst. Personnel/Admin. Manager	c. £12,000
Credit Analysts (with languages)	c. £11,000
Supervisor FX Admin. 28-30	to £11,000
Op. Credits Clerks 25-30	£ negotiable
Reconciliation Clerks	to £8,500

Please contact: Mike Pope or David Patten 01-825 5191 1/2 Gracchurch Street, E.C.3.

regional calling officers

Nederlandsche Middenstandsbank N.V., a major Dutch financial institution, is seeking Repatriating American Calling Officers to complement its multi-national capabilities within the New York branch. Implementation of the bank's marketing program requires bringing on board two additional National Accounts Calling Officers.

The individuals most likely to succeed will be proven self-starters, able to work effectively in a loosely structured environment, and willing to accept individual responsibility for developing new business within a designated calling area.

Experience in marketing bank financial services and a solid credit background are required. Familiarity with the Midwest or Pacific Coast markets would be an advantage.

The opportunities for advancement within the organization, including the possibility of relocation, are excellent. NMB provides a comprehensive benefit package competitive within the industry.

Please submit resume including salary history and requirements to: M.M. Benson

NMB BANK

450 Park Avenue New York, New York 10022

An equal opportunity employer M/F

Investors are hunting a head hunter with established international connections who is seriously seeking independence with equity.

Please reply in such detail as you would expect to receive yourself.

Write Box A7727, Financial Times 10 Cannon Street, EC4P 4BY

INSTITUTIONAL INVESTMENT SALESMAN/WOMAN

A leading Canadian investment house seeks an institutional securities salesman/woman for its London office. Candidates should have a good educational background and a record of success in the development of business. Prior experience in the Canadian or American markets would be desirable but not essential as a period of familiarisation in Canada is available if necessary, prior to employment in London. Remuneration and fringe benefits will be generous. Applications, marked confidential, and enclosing copy of curriculum vitae, should be addressed to: THE MANAGER, GREENSHIELDS INCORPORATED 48 FREDERICK'S PLACE, LONDON EC2R 8HT

Leading European International Bank

requires for its London office in the City:

INTERNAL AUDITOR

Candidates should have a minimum of five years banking experience including documentary credit, foreign exchange and Bank of England reports as well as a sound knowledge of audit and EDP systems. A remuneration of up to £11,000 plus substantial fringe benefits are offered.

GENERAL ACCOUNTS CLERK

for busy department. Previous banking experience an asset. School leavers with relevant qualifications and typing will also be considered. A fully competitive salary, depending on age and experience, plus fringe benefits, offered.

Applications which will be treated in the strictest confidence, should be sent, together with a full curriculum vitae, to: Box A7731, Financial Times, 10 Cannon Street, EC4P 4BY

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International Appointments

INTERNATIONAL APPOINTMENTS
ALSO APPEAR ON FOLLOWING PAGE

Finance Manager

Nigeria c.£30,000 + House + Car, etc.

We have been retained by an International group to recruit a Finance Manager for their rapidly expanding and highly profitable Nigerian companies. The position calls for a highly motivated man with a strong but diplomatic personality capable of liaising with government authorities and local partners.

Responsibilities cover supervision of the accounting function of group companies with particular emphasis on the overall control of two major multi-million construction projects.

Applications are invited from qualified accountants, aged 30-40, with broad commercial experience preferably gained overseas and the ability to get totally involved in the affairs of the group.

Contracts for two years with generous leave entitlement and in addition to a negotiable salary there will be a substantial end of contract bonus plus free house, car, school fees and servants.

Applicants are invited to contact R. J. Welsh.



Reginald Welsh & Partners Ltd
ACCOUNTANCY & EXECUTIVE RECRUITMENT CONSULTANTS
123/4 Newgate Street, London, EC1A 7AA. Tel. 01 600 8387

Management Consultancy

Dubai

To £22,000 tax free plus benefits

We are seeking to recruit additional accountants to join our successful, well-established management consultancy practice in the Gulf. The work involves assisting clients on a wide range of financial and accounting matters, particularly financial appraisals and the development of management information and accounting systems. Clients range in size from family businesses to large international companies and cover most areas of trading and commerce.

Probably aged 26-34, candidates must have a degree, preferably in economics or a related subject, a leading accounting qualification and at least two years' post-qualification experience, ideally gained in industry. Appointments are on the basis of a two year contract. There are opportunities for transfer back to our United Kingdom practice at the end of the contract.

The United Arab Emirates is a most pleasant Gulf State, offering the expatriate a good standard of living and a wide range of sporting and leisure activities.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Geoffrey Thiel, quoting reference 1040/ET on both envelope and letter.

Deloitte Haskins + Sells
Management Consultants

128 Queen Victoria Street, London EC4P 4JX

GENERAL MANAGER

Agricultural Development & Marketing MALAWI

ADMARC — the Agricultural Development and Marketing Corporation of Malawi is a statutory, but profit oriented body with capital exceeding £42m and an annual turnover of over £27m. It is responsible for the purchase, processing and grading of agricultural crops grown by smallholder farmers in Malawi and handles over 200,000 metric tons of produce annually. In addition the Corporation has investments exceeding £30m in various commercial and industrial companies in Malawi.

Reporting direct to the Executive Chairman, the General Manager will be responsible for the day-to-day management of the Corporation including the direction and supervision of planning and co-ordination of projects. Preferred age 45-55. An attractive package including tax free gratuity, subsidised housing, company car, free medical benefits and education allowances for children under the age of 19 years are offered together with a negotiable salary commensurate with the position. Please send concise details of career and salary in the first instance to:

Malawi High Commission, Recruitment Section (ADMARC 3), 33 Grosvenor Street, London W1
Interviews will be held in London

CHIEF DEALER

Middle East c. \$60,000 tax free

Prominent & Expanding International Bank

Our Client is a substantial and successful international bank located in the Middle East.

The immediate requirement is for a senior dealer to take responsibility for day to day control of the bank's head office trading activities.

Candidates, probably in their late 20's, must possess considerable dealing expertise gained in an active international bank. The initial emphasis will be on money market trading, although sound experience in foreign exchange is regarded as essential.

This appointment is offered on the basis of a 3 year renewable contract, and the salary and expatriate benefits will fully reflect the importance attached to the position.

Contact Norman Philpot in confidence on 01-248 3812

NPA Middle East Recruitment

60 Cheapside London EC2 Telephone 01-248 3812/3/4/5

Sales Engineer

Lummus Heat Transfer Systems Company

For the reinforcement of our International Sales Team, we require a Sales Engineer. His duties will include:

- Cultivating relations with potential clients.
- Maintaining relations with clients and our licensed manufacturers.
- Seeking out new inquiries.
- Co-ordination of the technical and commercial activities during quoting stage, as well as during contract negotiations with clients.

Candidates must be technically qualified and should preferably hold a degree in mechanical or chemical engineering.

The ability to speak French and/or German will be advantageous. Candidates with proven experience will be preferred. In this attractive and challenging position we offer competitive pay scales with all the benefits to be expected from a successful major company.

Please write in confidence, giving full details of qualifications, career history to date to Mr. B.W. Flaar, Personnel Department of Lummus Nederland B.V., Kalvermarkt 9, The Hague, Holland or phone 070-61 48 91.



LUMMUS NEDERLAND B.V.
Kalvermarkt 9, 2511 CB Den Haag, Telefoon 070-61 48 91

Accountant

(Kenya)

(to equivalent of £12,000 plus overseas benefits)

Our clients are a major Group of Commodity Brokers and Bankers with interests in various commercial and industrial projects overseas. They seek an Accountant for one of their overseas operations, based in Kenya.

Reporting to the Financial Controller, the Accountant will be responsible for assisting in the financial administration of the project including budgetary control and costing. The successful applicant will have had several years of commercial practice preferably related to an industrial environment.

An accountancy qualification combined with practical application and common sense are key requirements.

All enquiries will be accorded strictest confidence. Please write with full details quoting reference 1750 and listing separately those companies to whom you do not wish your details to be sent. Applications will be forwarded directly to our client.

Charles Barker

RECRUITMENT ADVERTISING SERVICES
30 Farringdon Street, London EC4A 4EA. 01-236 3011

SECRETARY GENERAL

not less than

HK\$1,000,000.00 + housing and car

THE REAL ESTATES DEVELOPERS ASSOCIATION OF HONG KONG

Applications are invited for the above position based in Hong Kong

Applicants should preferably be retired senior government official with ministerial appointment or holders of honours or distinction. Salary will be negotiable according to qualifications and experience. All applications will be treated in strictest confidence.

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Thursday January 21 1982

Poland and the West

NO-ONE can assume that western economic sanctions against Poland or the Soviet Union will have a determining effect in bringing about a lifting of martial law in Poland. There are too many other, more pressing factors at play for that to be the case. A no-annexation western sanctions policy is nevertheless necessary, partly because it shows the seriousness of western commitment to the liberal principles enshrined in the Helsinki agreement, partly because it may have some influence on the decision-makers in Warsaw and Moscow, but most of all because it represents a concrete warning of what might happen if the Polish situation were to deteriorate.

Pressure

The main difficulty is in ensuring that western countries keep in step and that their sanctions are co-ordinated. So far this has not been too problematical on the financial front, but in the trade field co-ordination is likely to be more delicate. Ten days ago western governments in Nato agreed that they would not negotiate the rescheduling of those Polish debts which fell due this year, nor extend any fresh credits, until martial law is lifted, the detainees are released, and a dialogue is resumed between the government, Solidarity and the church.

This decision to withhold western financial help, which was forcefully reiterated by Lord Carrington on Tuesday, is likely to exert cumulative pressure on the Warsaw authorities, since it will put a progressive squeeze on necessary imports from the west. It also has the advantage that it may be susceptible to fine tuning as the situation in Poland evolves.

The effectiveness of trade sanctions in directly influencing events in Poland is much more open to scepticism, especially when they are relatively limited in scope, as is the case with those announced by President Reagan shortly after the imposition of martial law. The interruption of supplies of high technology items may have some disruptive effect on Soviet investment projects already under way, and a delaying effect on projects which have yet to get going, like the gas pipeline. The drawback is that this kind of ban is slow-acting, and only has its maximum impact if it seems likely to be in place for a very long time, if

not for ever. The only trade sanctions likely to have an immediate impact would be those affecting essential consumables, like cereals, but having lifted the grain embargo imposed by Jimmy Carter after the invasion of Afghanistan, President Reagan does not for the moment seem likely to reimpose it.

Impact

At the Nato meeting, European governments undertook to back up the limited U.S. sanctions by comparable, though not necessarily identical, actions of their own, and this weekend the Nato members will hold detailed consultations on the steps they have in mind. As well as not undermining the impact of the U.S. measures, European Community governments may consider, among other things, penalties on imports from the Soviet Union or hardening of export credit terms to the Soviet Union.

Complete agreement may not be reached at this first meeting, but the Europeans will no doubt have had their attention concentrated by President Reagan's declaration that he would not wait for ever before imposing additional sanctions. This was directed primarily at Warsaw, but a second wave of U.S. measures before Europe has evoked its first could be very divisive in the alliance.

Conflicts

Unfortunately, it begins to look as though the Polish crisis could be a long-drawn-out affair. The initial effectiveness of General Jaruzelski's military crackdown does not seem to have been matched by any comparable progress towards a political solution of the crisis, and it is increasingly clear that enforced "normalisation" scarcely hides profound popular resentment. On the economic front, the question of price increases strongly suggests that the authorities are at a loss over what to do next.

Western trade and financial sanctions will not resolve the political conflicts inside Poland. But if they serve as a warning that the prolonging of martial law could provoke additional western counter-measures, they could concentrate minds in Warsaw and Moscow of the necessity of finding an accommodation with the Polish people.

The educated unemployed

THE DISTURBING figures produced yesterday by the three bodies concerned with graduate employment throw a rather different light on the controversy over spending on higher education. Last year the number of graduates who found jobs fell by 12 per cent, and a further fall of 10 per cent is expected this year; yet the output of graduates seeking work is rising—about 9 per cent up this year. During 1982, then, graduate unemployment must be expected to rise very sharply; the unfortunate graduates will be competing not only with each other, but with those from earlier years still seeking work.

Some questions

The university officials point out defensively that graduates still have a much better chance of finding work than simple school leavers; but it would indeed be disgraceful if this were not so. The universities take in a very high proportion of the ablest young intellects and exclude all kinds of disadvantaged groups. The figures leave wide open the question of whether a university training does anything at all to enhance the claims of native ability in the employment market—the best measure we have of the value society puts on ability. A simple-minded market test would suggest that we are over-producing higher education.

It would be absurd, to base such a conclusion on the results of a severe economic recession; but it is legitimate to pose some questions about the direction and relevance of British university education. A simple resistance to cuts is not self-justifying at a time when perhaps a quarter of this year's graduates will be jobless.

Major expansion

British universities have always set their faces firmly against allowing academic training to become a form of vocational course, apart from the learned professions. There is certainly nothing objectionable about insisting on some intellectual rigour in higher education; nobody would wish to see the academic world developing

courses in undertaking or hair-dressing, for example.

However, it is a short step from this to the point we seem to have reached, where only academics are permitted to judge what is academically respectable—a judgment tempered only by the weight of student demand for various courses. This inward-looking system has two results which may help to explain the figures. Too many courses are designed to lead to research and teaching, and in some institutions, subjects are taught at a level quite inappropriate to the needs of students. It is legitimate, and not simply snobbish, to wonder why there are huge departments of philosophy at some polytechnics, for example.

The major expansion of higher education in this country was based on the Robbins report, but seems to have overlooked one of its major recommendations. Robbins, recognising that expanded universities would contain a much higher proportion of students of a practical rather than academic bent called for an expansion of general courses, designed to enhance understanding and reasoning ability over a wide field, rather than narrow specialisation. Instead, highly specialised courses are now taught to an ever-growing body of students who will have little or no future use for what they learn. In much the same spirit, the ushers of the eighteenth century thrashed their pupils into an ability, promptly forgotten, to construe Greek verse.

Hard-working

It is to be hoped, then, that the employment crisis will provoke the academic world into a certain amount of self-examination. If society has an inadequate demand for what they are producing, it also has an unfulfilled demand for what they could produce—general courses with some stress on numeracy and problem analysis and practical experience degree courses for those whose thirst for higher learning is acquired on the job (and who make able, eager and hard-working students). Academic excellence is a necessary but not a sufficient programme for higher education.

BRITAIN'S PWR PROJECT

Sizewell's new lease of life

By David Fishlock, Science Editor

SIZEWELL B, Britain's first pressurised water reactor (PWR) nuclear project is back on the rails. The Government confirmed this yesterday when it set January 1983 as the date for the opening of a public inquiry.

The Government's confidence that this time it has got the PWR right is buttressed by a stack of documents stamped over 5 ft high, despatched in recent weeks to the Nuclear Installations Inspectorate (NII) by its nuclear advisers. They are all to be published, unbridged, by April 30, and put on public display.

The project breaks new ground for Britain in the extent to which it will depend on U.S. assistance not only for the reactor itself, but also for the engineering of the entire station. Both Westinghouse Electric and Bechtel, the U.S. contractors, are to play major roles in Sizewell B.

The safety case of Sizewell B would be delivered to the nuclear inspectors in the next two months, Dr Walter Marshall, chairman of the UK Atomic Energy Authority (UKAEA), promised at a press conference in London yesterday. It had still to be reviewed by the nuclear inspectors "but we already know the degree of revision which we need to do is small".

The nuclear inspectors have undertaken to publish their report six months before the inquiry begins.

In Dr Marshall's view, Britain's chief nuclear inspector, expected to be a key witness at the inquiry, must never be lured into saying that he believes this new design is totally safe. Any such statement would be an abdication of his role as public watchdog of the safety of nuclear plants, for which he would deserve the sack.

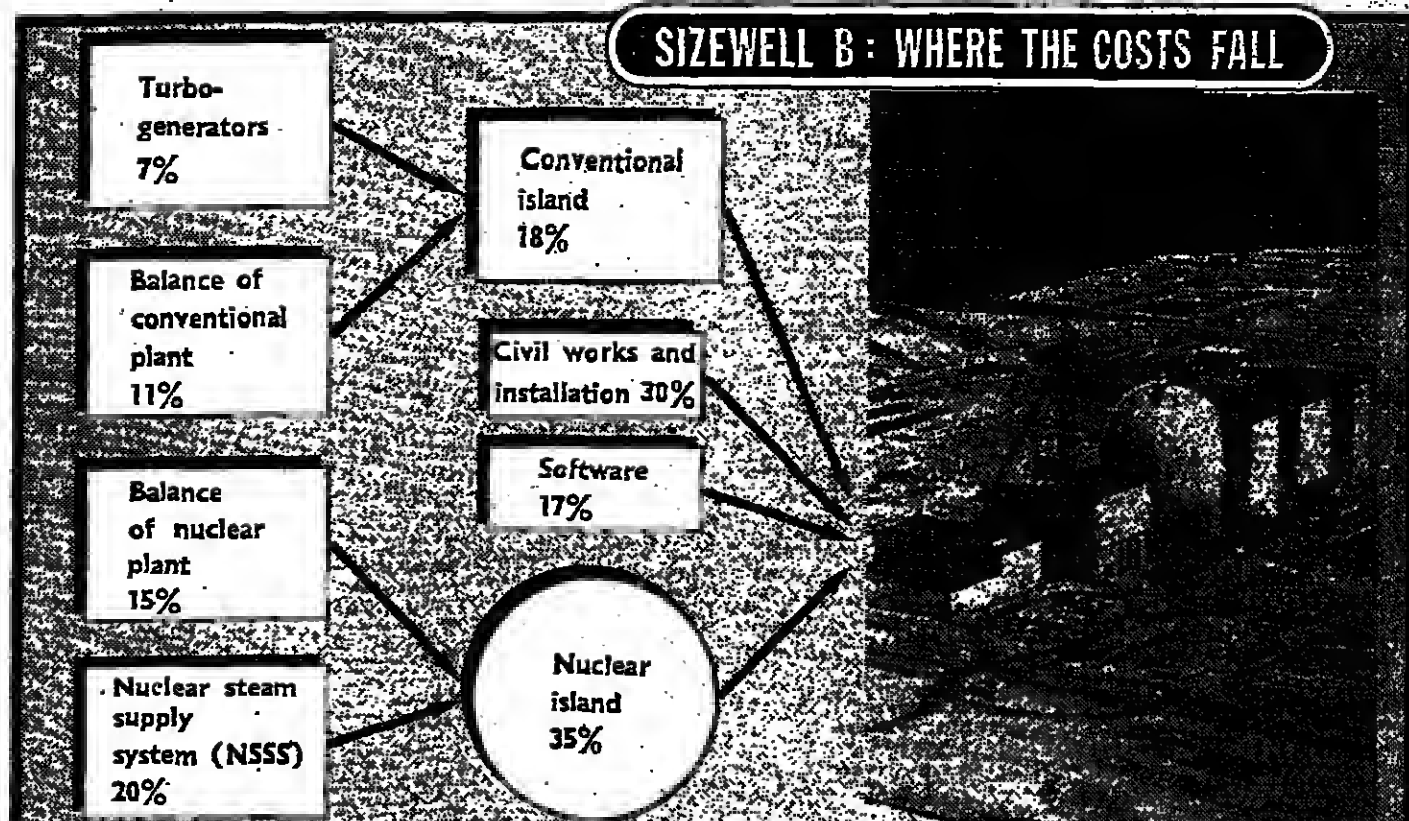
It was Dr Marshall's report to the Government on progress with the Sizewell B design that led to yesterday's announcement about the inquiry by Mr Nigel Lawson, the Energy Secretary.

The function of the NII, Marshall contends "is to be a constantly nagging, never-satisfied auditor." He likens it to the role of nagging wife "where the only way a chap knows he's out of the doghouse is when she stops nagging about one problem and starts on another."

In the U.S., the Government's nuclear inspectors will not allow a company to operate a nuclear power station until they have pronounced it "totally safe," an approach which was criticised by the inquiry into the accident at Three Mile Island.

But Britain's system is different in a crucially important way. Here (and also in France) the nuclear inspectors cannot go beyond saying "we can see no reason to reject the project" or "we can see no reason why you should not operate this plant."

Under British law, the onus is totally upon the operator to show that there is no reason. The operator holds the nuclear licence, though the chief nuclear



How the cost of a PWR is shared among the six main sectors of expenditure. The NSSS accounts for only one-fifth of the total. In the 1970s, used as a basis for calculating these proportions, inflation and interest charges accounted for roughly 50 per cent of the cost.

inspector has the power to withdraw it. The safety of airlines is assured in the same way. The burden of justifying the case on PWR safety will rest with the Central Electricity Generating Board. For that reason alone, the CEBG cannot stand aside while someone else designs its PWR.

Dr Marshall has played a central role in the development of Sizewell B. For nearly two decades since the early 1960s, when it turned its work on the submarine PWR over to the defence company Rolls-Royce and Associates, the UKAEA had shown little interest in the PWR. Moreover, for many years the nuclear power industry had made it plain that it wanted the UKAEA "on tap, not on top" of the national nuclear programme.

Last spring the nuclear industry produced its first outline design for Sizewell B. It had looked at half-a-dozen designs—U.S., West German, French, etc.—and had come up with a new one, a uniquely British PWR. Each nation with a highly developed engineering capability has evolved its own traditions of safety. The British PWR attempted to accommodate the British nuclear safety requirements within an ingenious new shape of plant.

But its ingenuity raised two huge problems. One was that it eroded some, if not all, of the advantages in capital cost over the current UK nuclear system, the advanced gas-cooled reactor (AGR). The other was that it had departed far enough from the U.S. design on which it was supposed to be modelled to warrant the charge of being, once again, a "prototype" plant. Once more, Britain was trying to re-invent the wheel.

"They got it wrong," says Marshall diplomatically. The CEBG was horrified. "It was unlike any PWR that had ever been built before," one board member says.

The CEBG found itself in an uncomfortable situation. Effectively, it had been ordered by the Government to leave the National Nuclear Corporation (NNC) alone to produce its design. Mr David Howell, then Energy Secretary, had declared that the NNC was to have total project management "of Sizewell B, as the first step in rebuilding a strong UK nuclear industry. But as the customer and organisation responsible in British law, the CEBG refused to accept the British PWR. It persuaded the designers quietly to withdraw it last summer.

The NNC had rejected not only British (especially CEBG) but U.S. experience in its endeavours to show how clever it was in designing nuclear plant. But no-one could say who was responsible, for the company never clearly identified a pro-

ject director.

Enter Marshall, the newly-appointed UKAEA chairman, as peace-maker. His solution was a new task force—a proxy project directorate—with himself at the helm, to try to retrieve the Sizewell B project. The CEBG, unwilling to flout ministerial decree and pick up the project itself, yet desperately disillusioned with the PWR design team, clutched at Marshall's suggestion and relayed it to the Energy Secretary. The task force, with Marshall as chairman, was appointed in July 1981 with the job of salvaging the project before the end of the year.

Yesterday, the Government made it quite clear that it is sufficiently confident about the Sizewell B design to set a date for the public inquiry which will allow witnesses a clear six months to digest the three key design documents: the pre-construction safety report, now with the CEBG for review; the reference design; and the latest report of the study group on

Dr Walter Marshall (right), chairman of the UK Atomic Energy Authority, who promised yesterday that the safety case for Sizewell B would be delivered to the nuclear inspectors within two months.



pressure vessels.

From the outset, the task force was acutely aware of the charge that in trimming the cost of the project it would be cutting corners on safety. In fact, its task was to revert with all speed to the basic design agreed between customer and supplier at the outset, modified only where necessary to meet safety and other requirements specific to Britain. This is based on the Calloway station under construction in Missouri. Eight such stations are already operating and another 30 are expected to be in operation before Sizewell B.

The accompanying sketch shows how the cost of this type of station breaks down into four major parts. Nuclear safety—the part of greatest public interest—is almost wholly confined to the nuclear steam supply system (NSSS). But this accounts for only one-fifth of the cost of the station.

Moreover, there is a still stronger reason for not tinkering with the NSSS. Westinghouse Electric is supplying and guaranteeing this portion under a licence paid for by the CEBG. If Britain tried to change the design in any radical way, Westinghouse would no longer guarantee it, and a central part of the argument for exploring the PWR would be lost.

The big change adopted by the task force is to use a power station layout developed by Bechtel, called the standardised nuclear unit power plant system (SNUPPS). It is the most successful U.S. attempt to standardise nuclear station design and break the bottlenecks in the tortuous U.S. nuclear regulatory process. Bechtel became a key part of the Sizewell B project last summer.

Nevertheless, changes were necessary both to the Westinghouse NSSS and to Bechtel's SNUPPS layout to satisfy special British requirements. For the NSSS, they amount to extra—and larger—emergency cooling circuits, four instead of two, but some should fall at the critical moment. For SNUPPS they include the use of two 600 MW turbo-generators where Bechtel uses one 1200 MW machine; and 50 instead of 60-cycle electricity, which means leaving more room for electrical equipment. The diameter of the containment building for the nuclear island will be 350 ft, an extra 10 ft to accommodate a more and bigger machinery and extra radiation shielding giving operators and maintenance staff more protection.

The pre-construction safety case is being reviewed by the CEBG and the nuclear inspectors. Until this has been accepted by the CEBG, the task force will not try to estimate costs. But unofficial estimates disclosed last month by Mr James Stewart, who headed the design team during the latter half of last year, suggest that it could be over 30 per cent cheaper to build than an equivalent amount of power from 600 MW AGRs.

Apart from safety, the big question mark that still hangs over Sizewell B is the management of a complex project. Britain's experience of the PWR is considerable, but almost entirely locked up in the defence project that has given the nation 30 successful nuclear submarines in as many years.

Sizewell B has been salvaged—so far—by a massive Anglo-American technical effort. Behind the task force Dr Marshall assembled a steering committee composed of all the top executives of the British nuclear industry, as well as the nuclear chiefs of Bechtel and Westinghouse.

But this task force is no more than a proxy project directorate, designed to cut through the long chains of decision-making which had been hobbling the project for more than two years. Dr Marshall likens the situation he found when he took over to the nursery game "pass the message" in which crucial questions passed from hand-to-hand, become distorted out of all recognition. In the task force, every question must be addressed to the chairman. Under this discipline, problems have tended to evaporate, he says.

Now the project will come under new management. Mr Ted Pugh, one of the CEBG's most successful project directors, has taken command of a joint project team consisting of engineers from the NNC, the CEBG, Bechtel and Westinghouse. The CEBG had had something of the sort in mind for several years, but was prevented from doing anything about it by the Government's insistence on giving the NNC total project management. The formidable task facing Mr Pugh is how to maintain the fast pace set by the task force last year.

Men & Matters

Just deserts

A star is born—the all-important third star which, in Michelin language, says that Le Gavroche, in Mayfair, London, stands in the first rank of European restaurants, and should put a stop to all that rubbish about England being a country with 60 religions and only one sauce.

The brothers Albert and Michel Roux, who own Le Gavroche and a stable of other fine London restaurants, are proud and happy men. "An Olympic gold medal," said Albert Roux yesterday, "I have had no other ambition."

But away from the silver service and the fish-forks, a group of high-flying financiers may also allow themselves considerable satisfaction at this international recognition for what was, in its early stages, an informal sort of venture capital project. For when the Roux brothers decided the time had come to move out of private service and into business, they found a sympathetic friend and backer in Michael von Clemm, now chairman of Credit Suisse First Boston.

Michelin, and Albert Roux, now happily beg to differ. "Highly geared and profitable," said Roux when I asked him about the figures.

The brothers have since bought out their backers, though von Clemm remains chairman of the company. "The wise man," is how Albert Roux describes him, "my dearest friend." And while the brothers have been accumulating their own equity, they have also been "spinning off" their best chefs into kitchens of their own: Jean-Louis Tallevaud at Interlude de Taboulin in London's Bow Street, and Pierre Koffmann at Tante Claire in Chelsea.

Here again, the banking connections helped with investment to supplement that of the Roux brothers and the newly-established chef, Yassukovich's wife was an investor in Tante Claire; David Putter of Samuel Montagu in the Interlude.

The Roux brothers' restaurants—Le Gamin and Le Poulbot in the City, Gavers in Chelsea, and Le Gavroche, now have six Michelin stars between them, a unique achievement in Europe. That third star is unlikely in a huge effect on Le Gavroche's evening business, since bookings already run weeks ahead, though Albert Roux does want more attention paid to the £16.50 set menu at lunchtime.

In the pink

Note to bespoke tailors in the vicinity of Bank: start building up your stocks of pink gents' suits. The market in Bank of England gatekeepers' coats may be a bit slow, I know, but I gather that pink is also going to be de rigueur on the floor of the London International Financial Futures Exchange, due to open in autumn over the road in the Royal Exchange building.

Eisewhere, preparations for Life—pronounced, for the benefit of Dubliners, "life"—on on space. Brian Williamson, director of the City discount house Gerrard and National, is to be seen top-hatted but sporting a bright red jacket on the floor of the Chicago Mercantile Exchange's International Monetary Market.

Williamson has joined the IMF's stiff ten-day floor-trading course, polishing up his act as both a director of Life and chairman of the membership and rules committee. Gerrard and National will also be involved in the new Exchange, for it plans to set up in partnership with Inter-Commodities a company which will act as one of Life's clearing members.

form of political advertising carried by the Commons order paper—were put down by separate groups of Tory MPs yesterday.

The first band, led by Michael Brown, MP for Brigg and Southorpe, warns that the economic law of diminishing returns is now affecting the taxation of cigarettes and calls for a tax cut of 20p a packet. "Ignore the special pleading from social do-gooders," it counsels the Chancellor.

John Carlisle, MP for Luton West, heads the second group's protest about the media's sustained attacks on the tobacco industry and "those of Her Majesty's subjects who exercise the right to smoke." Sporting morale and health, Carlisle claims, is being damaged by the denial of tobacco sponsorship.

What will be Sir Geoffrey's response? Anti-smoking campaigners on the Labour benches trust that the Chancellor will again demonstrate that there is no more devoted supporter of a cause than a late convert to it.

THE BANKER

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 - * How the US government funds its debt
 - * The PSBR - is it an appropriate indicator?
 - * Bankers' new role in commodities finance
 - * Hong Kong deposit-takers fight back
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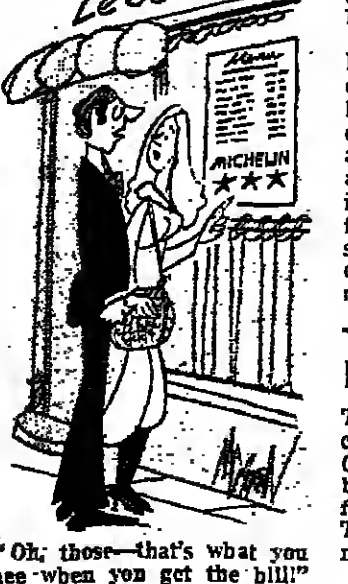
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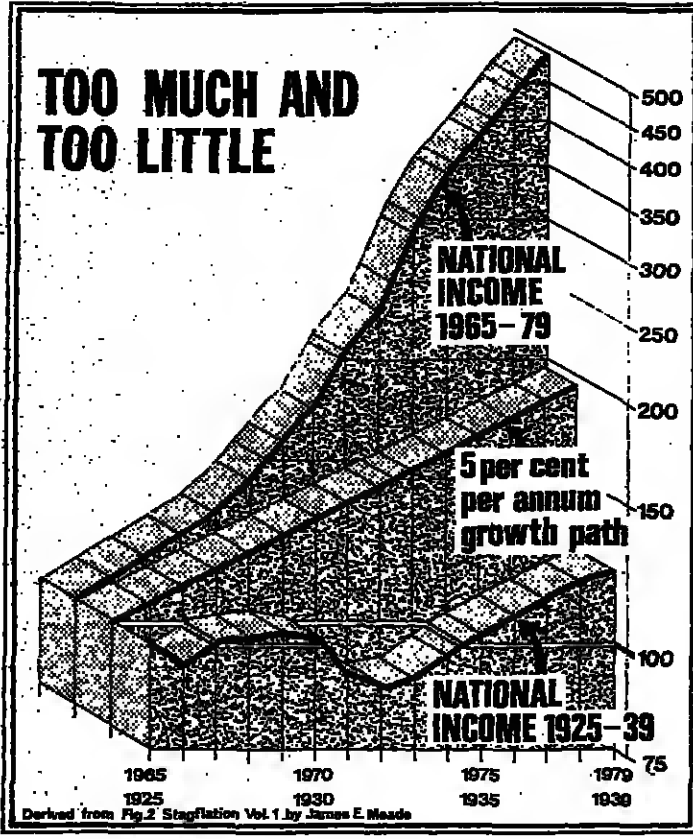
Observer

ECONOMIC VIEWPOINT

Ways out of stagflation

By Samuel Britan

PROFESSOR James Meade has written the most distinguished study I have ever seen of the stagflation problem...



Does not put all the blame on the oil crisis

and 1980s when very low unemployment percentages were combined with moderate and stable inflation rates...

could be a corrective and increase both wages and employment simultaneously. But the more typical case is that of unions acting as monopoly sellers of labour...

Letters to the Editor

The wrong way to govern London

From the Leader of the Opposition, Greater London Council. Sir—Your report in last Thursday's edition called 'The wrong way to govern London' was correct not only in most of the facts reported...

earlier in order to let London see, if it needed any further proof, what the left wing in control at County Hall were really like...

Aslef's reasons for the rail dispute

From the chairman, British Railways Board. Sir—The issues in the Aslef dispute have been widely and fairly reported in your columns...

Airline industries' difficulties

From Mr Irwin M. Stelzer. Sir—Several of your recent reports on the financial problems of the airline industry contain the unfortunate implication that those problems are the consequence of the anti-cartel position...

of 1981 came from domestic operations according to Business Week and 80 per cent of projected 1982 losses are expected to come from domestic operations...

Social science research

From the Director, The Institute for Fiscal Studies. Sir—Your editorial (January 15) broadly supports the application of the customer/contractor principle to social science research...

Lombard

Double standards and Mr Haig

By David Tonge

FREEDOM FOR detainees, the lifting of martial law, a dialogue with the opposition—NATO rightly asks for all these in Poland. Should it not publicly insist on the same in Turkey?

A progress of attrition on many fronts

right of referral to the tribunal would have, I suspect, to be given to the Government as well as to employers and unions. Nevertheless, it might be worth experimenting with a Meade-type arbitration tribunal...

Advertisement for Harrap's Business Dictionary, featuring a dictionary cover image and promotional text: 'HARRAP'S BUSINESS DICTIONARY English-French and French-English'.

UK COMPANY NEWS

24 Companies and Markets

Tate & Lyle over £36m with better profits mix

FURTHER RECOVERY from the setback of two years earlier, was achieved by Tate and Lyle in the year to September 26 1981. Pre-tax profit moved ahead from £30.7m to £36.3m on turnover of £788m higher at £2.19bn.

£8.5m (£9.5m) turnover and warehousing packaging and distribution turned in £2.2m against £0.9m, on turnover of £55.1m (£48.7m).

Through the agricultural remained in loss the deficit was much reduced at £0.2m (£7.6m) on sales of £38m (£29.4m) and the loss on cereal sweeteners and starches was cut from £1.2m to £0.6m on turnover of £43.8m (£38.8m).

Stock Conversion sees record

PRE-TAX revenue of Stock Conversion and Investment Trust dipped from £5.51m to £5.75m for the six months to September 30 1981. A jump in the share of associate's profits to £1.37m, compared with £884,000, was offset by a fall from £762,000 to £19,000 from dealing. However net interim dividend is being held at 1.75p.

THF drops to £52.3m after higher interest

FULL YEAR results of Trusthouse Forte, the hotels, catering and leisure group, have inevitably been affected by the current economic climate worldwide and its effect on tourism and consumer expenditure.

Reflecting higher depreciation and finance charges, pre-tax profits for the 52 weeks ended October 31, 1981 fell to £33.2m, compared with £66m for the previous 52 weeks period. This follows a drop in first-half pre-tax figures from £19.3m to £14m.

On the group's hotels side, UK profits declined from £43.9m to £24.1m, although the US performance improved from £25m to £10.3m and the contribution from Europe and elsewhere was little changed at £7.7m (£7.8m).

Mid Kent Water £6m offer

The Mid Kent Water Company is offering for sale by tender £6m of 91 per cent redeemable preference stock.

Smith St Aubyn loses £20m

Smith St Aubyn, the fast-growing discount house which has run into financial difficulties, lost £20m on its gilt-edged operations between April and the end of last year.

The extent of the losses is £5m higher than earlier City estimates and is contained in the rights issue document being sent to shareholders.

Smith St Aubyn announced a one-for-one rights issue to raise £2.7m earlier this month. It said that its losses in the gilt-edged market had extinguished both its published and inner reserves.

Shaw and Marvin cuts losses

THE TAXABLE losses of Shaw and Marvin have been reduced by more than half from £78,149 to £29,985 for the six months ended September 30 1981. Turnover is down to £74,514, compared to £869,343 previously.

J. Austin plunges: interim held

AS INDICATED by Mr Ronald Hooker, the chairman of J. Austin Steel Holdings, in his statement for 1980-81 the group has suffered from the world recession and although volume of business was little changed in the first half of the current year, extremely competitive conditions squeezed margins and resulted in reduced profits.

For the six months ended September 30 1981 group pre-tax plunged to £106,748, less than a quarter of the £431,862 achieved for the corresponding period a year earlier (£283,302).

For the second half of the year, the chairman repeats his statement that the recession has not gone away and that until there is a marked upturn in the economic activity in the U.S. world trade will be slow to recover.

Cornell still in the red

IN ITS first results since becoming a subsidiary of Polly Peck in January 1981, Cornell Dressers reports increased taxable losses of £20,498, against £53,128 for the six months ended June 30 1981. Turnover, however, was down from £932,401 to £777,598.

This advertisement is published by Morgan Grenfell & Co. Limited on behalf of The Rio Tinto-Zinc Corporation Limited (RTZ). The directors of RTZ (including those who have delegated detailed supervision of this advertisement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and each of the directors accepts responsibility accordingly.

Final Offer by RTZ for Ward

RTZ's final offer is £2.30 nominal of RTZ convertible stock or 225p cash per Ward share both plus Ward's final 5.2p dividend.

Completed and signed Forms of Acceptance and Transfer should be received not later than 3 pm on Tuesday, 26 January 1982 by: Midland Bank Limited Stock Exchange Services Department Mariner House, Pepys Street, London EC3N 4DA.

- BIRMINGHAM Midland Bank Limited 130 New Street, Birmingham. BOURNEMOUTH Midland Bank Limited 59 Old Christchurch Road, Bournemouth. BRISTOL Midland Bank Limited 49 Corn Street, Bristol.

ACCEPT RTZ's FINAL OFFER RTZ If you are in doubt about your form arriving in time, please telephone Midland Bank Limited in London: (01) 606 9911, extension 3609.

Anglia TV edges ahead to £4.7m and pays 1p more

TAXABLE PROFITS of Anglia Television Group edged ahead from £4.66m to £4.7m for the year to October 31 1981 on turnover higher at £37.48m, compared with £32.69m.

The profit was struck after Exchequer levy of £1.5m, against £2.6m, and included a share of £1.2m (£1.2m) (£452,000). Depreciation took £2.05m (£1.14m).

Lord Kissin will continue to support Guinness Peat

LORD KISSIN, the founder and first president of the Guinness Peat Group, has dropped plans for a partial bid for Guinness Peat.

Mr Alastair Morton, who was appointed chief executive of Guinness Peat earlier this month, announced yesterday that his discussions with Lord Kissin have brought about "a complete understanding" of Lord Kissin's future support for the group and for himself as chief executive.

DIVIDENDS ANNOUNCED Table with columns: Company, Current payment, Date of payment, Correlation, Total of last year, Total last year.

PSIT Property Security Investment Trust Limited Interim Report. Net property income up by 27%. Increase in profit before dealing and extraordinary items.

M. J. H. Nightingale & Co. Limited 27/28 Lovat Lane London EC3R 8E8 Telephone 01-421 1212. Table with columns: 1981-82 High Low, Company, Price, Gross Yield, P/E, Fully Paid.

CORAL INDEX USM INDEX THE TRING HALL OIL INDEX

LEEDS PERMANENT BUILDING SOCIETY

In the course of his address at the 133rd Annual General Meeting on 18th January 1982 to present the results for the financial year ended 30th September 1981, the President, W. Leonard Hyde FCBSI, said:-

"The Society succeeded in meeting a high demand for mortgages throughout the year."

"...no reduction in the aspirations of young people to own a home of their own."

"The Society was able to lend a record £708 million to 46,000 members."

FINANCIAL RESULTS

Total Assets	£3547m
an increase of 15.1% on 1980.	
Liquid Assets—in the form of cash and Trustee investments.	£626m
Total Reserves	£41m
representing 3.97% of total assets.	
Mortgage loans outstanding	£2874m
New investment accounts opened during year—£27,000.	



Head Office: Permanent House, The Headrow, Leeds LS1 1NS.

Lookers plc

Motor distributors and engineers
Agricultural machinery dealers
Vehicle delivery
Contract hire and leasing

Preliminary results for the year ended 30th September 1981 (unaudited)

Year to 30.9.81	Year to 30.9.80	
Turnover	£73,007,828	£69,641,490
Group profit before taxation	1,048,628	936,811
Taxation	121,981	812,023
Group profit after taxation	926,647	124,788
Extraordinary items	112,003	33,640
Profit after extraordinary items being the profit for the year attributable to shareholders	£814,644	£58,148
Dividends per 25p share — interim of 1.4p paid 30th September 1981 (1980 — 1.4p)	103,793	103,793
Final of 2.45p payable 30th April 1982 (1981 — 2.45p)	181,638	181,638
Earnings per share — before extraordinary items	12.5p	1.7p
— after extraordinary items	11.0p	1.2p

The results are considered to be most satisfactory during a period of intense competition and difficult economic climate. Sales margins have remained low but service and parts departments have performed well as have the "Platts" agricultural machinery depots and the car delivery operations. The commercial vehicle depot in Leeds has been closed and the cost of closure included in extraordinary items. The taxation charge for the year has been substantially reduced by stock appreciation relief. Management accounts produced since the year end show comparable results to those for the same period in the previous year. It is proposed to pay the same final dividend as last year. R. E. TONGUE, Chairman.

Lookers plc

776 Chester Road, Stretford, Manchester M32 0QH

NOTICE OF ISSUE

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

The Mid Kent Water Company

(Incorporated in England on the 12th August, 1886, by the Mid Kent Water Act, 1886.)

OFFER FOR SALE BY TENDER OF £3,000,000

9½ per cent. Redeemable Preference Stock, 1987 (which will mature for redemption at par on 27th February, 1987)

Minimum Price of Issue £97.50 per £100 Stock yielding at this price, together with the associated tax credit at the current rate, £13.92 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961 and by paragraph 10 of Part II of the First Schedule thereto. Under that paragraph, the required rate at dividend on the Ordinary Capital of the Company was 4 per cent. but, by the Trustee Investments (Water Companies) Order 1973, such rate was reduced to 2.5 per cent. in relation to dividends paid during any year after 1972.

The preferential dividend on this Stock will be at the rate of 9½ per cent. per annum and no tax will be deducted therefrom. Under the imputation tax system the associated tax credit at the current rate of Advance Corporation Tax (37ths of the distribution) is equal to a rate of 4.114th per cent. per annum.

A deposit of £10 per £100 nominal amount of Stock applied for must accompany each Tender, which must be sent to Deloitte Haskins & Sells, New Issues Department, P.O. Box 207, 128, Queen Victoria Street, London EC4R 4JX in a sealed envelope marked "Tender for Mid Kent Water Stock" so as to be received not later than 11 a.m. on Thursday, 28th January, 1982. The balance of the purchase money will be payable on or before Thursday, 25th February, 1982.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, and Forms of Tender may be obtained from:-

Seymour, Pierce & Co., 10, Old Jewry, London EC2R 8EA.

National Westminster Bank Limited, 3, High Street, Maidstone, Kent ME14 1XU and 11, The Parade, Canterbury, Kent CT1 2SQ.

or from the Offices of the Company at High Street, Snodland, Kent ME8 5AH.

Companies and Markets BIDS AND DEALS

Dawn raid gets 13.75% of Ldn. & Provincial Trust

Investment Intelligence, a privately-held investment management company, launched a dawn raid on London and Provincial Trust yesterday and collected 13.75 per cent of the shares. The move comes in the midst of plans by Robert Fleming to merge London and Provincial and London and Montrose, two of the investment trusts which it manages.

According to Robert Fleming, Investment Intelligence picked up most of the shares at 160p, on a 20 per cent discount to the net asset value of the shares. The shares shot up 14p on the day to close at 182p, which capitalises the company at just over £50m.

Investment Intelligence manages assets of about £50m of which about £15m are in four unit trusts. The group is more than 50 per cent owned by the Aitken English Company, an investment holding company founded by Lord Beaverbrook in the 1920s.

Mr Michael Scurry, a director, said yesterday that the group was "holding its options open" on London and Provincial until it meets the investment trust's board later in the week. That meeting is expected to take place on Friday.

A director at Robert Fleming said yesterday that the group

had no idea about Investment Intelligence's plans. The asset value of London and Provincial is around £62m and if the merger with London and Montrose proceeds, the combined group would have assets of around £100m.

Although much of the reorganisation was intended to invest a specialisation into the investment trusts, a Fleming director said that the merged Provincial and Montrose group was planned to remain a generalised investment vehicle. To date, London and Provincial has not concentrated its investments in any specific sector.

An analyst from Laing and Crickshank, the stock brokers which acted yesterday for Investment Intelligence, said that more activity is likely in this area. "Many institutions feel something has to be done. The prices of investment trusts continue to underperform," said Mr Garth Hioe.

Mr Hioe had announced its plans for reorganising its investment trusts last month, along with Truett Remnant. Together, the two groups account for roughly £1.5m of close to £9bn of net assets in the investment trust sector.

The reorganisation had been seen as a method of reducing the gap between the prices of invest-

ment trusts' shares and their net asset value per share. The present average discount in the sector is about 30 per cent.

Last month, United Newspapers made a paper bid of £0.75 for the Colonial Securities Trust Company, an investment trust managed by Drayton Mootagu Portfolio Management. The move was effectively a disguised rights issue by UN, the proceeds of which will be used to invest in new areas technology.

Investment Intelligence is the holding company for three main subsidiaries, Intel Financial Management, Intel Financial Services and Intel Funds Management. Intel Investment, which merged in 1980 with Portfolio Management, handles private investment portfolios, which have a combined value of more than £35m.

Intel Financial Services undertakes private and corporate financial planning. Intel Funds is the unit trust management subsidiary formed in 1984. The group's Smaller Companies Fund recorded an investment growth of 208.6 per cent between 1979 and 1981, its first two years of existence. The group's Pacific Fund and American Technology Fund recorded increases of 133.6 per cent and 86 per cent respectively over the same period.

MINING NEWS

West Rand Cons facing an uncertain future

BY KENNETH MARSTON, MINING EDITOR

A QUESTION mark hangs over the future of the veteran West Rand Consolidated mine which, having ceased uranium production, is now dependent on its low grade gold operations. The December quarterly report shows that available gold ore reserves have now dwindled to 179,400 tonnes.

This does not mean that the old mine's ore is nearing exhaustion because South African ore reserve calculations are based on the tonnage made available for mining as opposed to the likely size of the total deposit. In addition, West Rand's latest figure, which compares with 557,600 tonnes a year ago—excludes some 411 tonnes which are not immediately accessible.

Even so, the mine milled 532,000 tonnes in the December quarter of which includes 197,280 tonnes from surface dumps. And the latest ore reserve is based on material payable to mine at a gold price of \$15,000 per kilogramme, or \$500 per ounce, well above the present level.

It is thus not so much a question of how much ore remains, but of how long South Africa's State assistance scheme can be expected to cover the working losses of West Rand Consolidated. So far, it has been hoped that the mine will be kept alive until market conditions allow the resumption of uranium

production. Otherwise, the December quarter results of the mines in the General Mining Union Corporation group make a mixed picture. As with the rest, profits have been helped by the favourable rand-dollar exchange rate; it is pointed out that an average fall of 1.6 per cent in the dollar per ounce price of gold represents a 1.7 per cent increase in terms of rands per kilogramme received.

The mines have thus obtained better rand gold prices in the quarter but this has not prevented the Evandrius group from making lower profits in the period. It is worth pointing out, however, that these mines did better than others in the September quarter.

The quarterly gold prices received by individual mines are compared in the following table.

Company	Oct 81	Nov 81	Dec 81
Graceland	425.13	427.12	427.12
Buffels	425.13	427.12	427.12
Groenvald	425.13	427.12	427.12
Kinross	425.13	427.12	427.12
Leslie	425.13	427.12	427.12
Marivalde	425.13	427.12	427.12
St Helena	425.13	427.12	427.12
Suffens	425.13	427.12	427.12
Unisel	425.13	427.12	427.12
West Rand	425.13	427.12	427.12
Winkellhaak	425.13	427.12	427.12

Of the Evandrius mines, Winkellhaak has produced the same amount of gold as in the previous three months but has seen a rise in costs. The mine's

underground development values have again fallen from the levels obtained in the first half of the year.

Production has fallen at Bracken, Leslie and Kinross while there has been a general modest increase in working costs. In the Orange Free State, the young Unisel has encountered its first tax liability while St Helena has now acquired the new Beta uranium-gold mine which began limited production during the quarter.

Of the original General Mining group properties, Stillfontein has, exceptionally, been making lower profits in the latest quarter following the above average figure for the previous three months. Profits, however, show a good increase thanks to a dividend from the Cheamwese uranium treatment plant subsidiary and a lower tax charge.

Net profits of the mines are compared in the following table.

Company	Oct 81	Nov 81	Dec 81
Graceland	4000	4000	4000
Buffels	4000	4000	4000
Groenvald	4000	4000	4000
Kinross	4000	4000	4000
Leslie	4000	4000	4000
Marivalde	4000	4000	4000
St Helena	4000	4000	4000
Suffens	4000	4000	4000
Unisel	4000	4000	4000
West Rand	4000	4000	4000
Winkellhaak	4000	4000	4000

BOC in U.S. health care deal

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE BRITISH-BASED BOC Group is purchasing a 14 per cent stake in the U.S. company Glasscock Medical Services Corporation, specialising in home care medical equipment, which could lead to a merger of the company before April 1983.

BOC, through its Avco subsidiary in the U.S., is paying \$14.95m (£7.97m) for a 14 per cent stake in Glasscock. The consideration is for 745,000 newly issued shares, while Avco already holds debentures convertible into 112,500 Glasscock shares.

The agreement also permits BOC to purchase up to, but not more than, an additional 400,000 Glasscock shares in the open

market, or privately, while the directors of Glasscock have also provided BOC with the option to purchase their shares if the group decides to make an offer for the outstanding shares before April 1983.

The decision to buy into Glasscock follows a substantial investment programme announced by Avco last week, whereby it will be investing \$247m (£132m) to expand its facilities for the production of carbon graphite in the U.S. and a new needle coke plant to provide the base material for carbon graphite.

Glasscock, based in Atlanta, Georgia, rents, sells, services medical equipment (mainly oxygen therapy equipment), used

mostly in the home care of patients. The health care business has assumed growing importance for BOC, in the U.S. and elsewhere, making it the second most profitable business (after industrial gases) in 1981.

BOC is clearly testing the waters as the Glasscock range of equipment is concerned, with a view to extending its presence in this type of home health care if this investment shows it to be worthwhile. BOC will put two executives on the Glasscock board of directors.

In 1981, Glasscock revenues increased by 170 per cent from \$11.58m to \$32.10m, and earnings after tax totalled \$3.04m against \$1.58m for the previous year.

Hanson Trust has 91.6% of Berc

Acceptances of the offers by Hanson Trust for Berc Group have been received in respect of 46,010,881 (68.61 per cent) Berc ordinary shares and 160,880 (80.24 per cent) preference. As a result, Hanson now owns or has received acceptances in respect of 61,445,018 ordinary (91.6 per cent).

The offers, including the preference offer, have been declared unconditional in all respects and have been extended until further notice.

TYZACK SONS PURCHASE

W. Tyzack Sons and Turner has agreed to acquire A. Spafford and Co of Sheffield, which manufactures and sells agricultural machinery parts and machine knives.

Consideration is £55,000 to be satisfied by £25,500 cash and the allotment of 70,000 ordinary shares at 35p per share on completion, which will take place on March 25, plus a further £5,000 cash payable on August 1 1987.

It is expected that the acquisition will increase the company's profitability with an anticipated increase in turnover of approximately 20 per cent in a full trading year.

MIM to lift holding in Asarco

THE MAJOR Australian base metal group MIM Holdings plans to increase its holding in Asarco of the U.S. from the present 16 per cent to 21 per cent. This follows the completion in September last year of MIM's side of a £162m plan to revive the ownership structure of both companies.

The plan provided for MIM to raise its stake in Asarco from 2 per cent to 16 per cent, while Asarco undertook to reduce its holding in the Australian company from 48.9 per cent to 44 per cent through the sale of 22m shares to Australian investors.

Asarco said yesterday in New York that it does not contemplate selling any of the shares involved until conditions become more favourable on Australia's stock markets.

One of the principal reasons behind the deals is to reduce Asarco's effective interest in MIM, thus enhancing the Australian concern's ability to participate in new natural resources development projects. Australian Government guidelines require at least 50 per cent local ownership in such projects.

When all the current proposals have been completed, MIM shares fell 7p to equal a 1981-82 low of 168p yesterday.

Asarco's effective interest in MIM will have fallen to about 35 per cent. Apart from these considerations, MIM said it views its holdings in Asarco as a sound long-term investment, and an important diversification away from the company's present almost total reliance on the Mount Isa copper mine in Queensland.

Asarco's interests include copper, lead, zinc and silver, and the company has recently expanded its range to take in aluminium, coal, asbestos, limestone, sand and gravel, lime, steel and oil, and gas. Assets include direct and indirect holdings in nearly 40 mines in North, Central and South America.

MIM shares fell 7p to equal a 1981-82 low of 168p yesterday.

IBS IN DEAL WITH PLESSEY

Immediate Business Systems has agreed to buy Plessey Computer for £1.5m the business and fixed assets concerned with the development and manufacture of an automated billing system.

Stockbrokers Markets and Aidenbrook, East, Newton are preparing to make a £2.5m public placing of IBS shares prior to seeking a quotation for the group on the Stock Exchange's Unlisted Securities Market.

IBS's portable billing system, which has been under test with the South of Scotland Electricity Board, this week won the SSEB's Computer User of the Year award at the Which Computer Show in Birmingham.

Vogels pays same again

LOWER base metal prices have cut net profits of Vogelshabill Holdings to £3.28m (E1.8m) for 1981, a fall of 15 per cent from the previous year. Nevertheless, the company, one of the smaller investment companies run by the Gold Fields group in South Africa, is to pay an unchanged dividend.

Vogels has declared a final dividend of 15 cents (6p) a share to give a total for the year of 36 cents. Earnings fell to 21.3 cents from 27.9 cents a share.

The company's net asset value per share is shown as 431 cents, up from 389 cents at the end of 1981, against £4.67m for the corresponding period of the previous year.

The interim dividend is maintained at 15 cents (8.9p) per share from earnings of 88.5 cents, down from 40.4 cents last time. In 1980-81, the company paid a final of 28 cents a share to make a total of 46 cents, from full-year earnings of 81.1 cents.

Net asset value per share is shown at 360 cents, down from 388 cents at end-December 1980, but higher than the 725 cents for the financial year-end on June 30 1981.

The shares hardened a penny to 130p in London yesterday in front of the results.

Little change at New Wits

FIRST HALF results of New Witswatersrand Gold Exploration have held up fairly well in the face of the lower average gold price.

The company, one of the smaller South African investment companies in the Gold Fields group, turned in net profits of £45m (Dec-31m) for the six months to December 31 1981, against £4.67m for the corresponding period of the previous year.

The interim dividend is maintained at 15 cents (8.9p) per share from earnings of 88.5 cents, down from 40.4 cents last time. In 1980-81, the company paid a final of 28 cents a share to make a total of 46 cents, from full-year earnings of 81.1 cents.

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LONDON TRADED OPTIONS

Option	Expiry	Closing Price	Vol.	Closing Price	Vol.	Closing Price	Vol.	Equity Class
BP (c)	850	38	3	48	13	40	1	286p
BP (e)	850	15	92	27	39	40	1	286p
BP (i)	850	1	21	18	61	40	1	286p
BP (o)	850	1	1	10	1	40	1	286p
BP (p)	850	1	1	10	1	40	1	286p
BP (q)	850	1	1	10	1	40	1	286p
BP (r)	850	1	1	10	1	40	1	286p
BP (s)	850	1	1	10	1	40	1	286p
BP (t)	850	1	1	10	1	40	1	286p
BP (u)	850	1	1	10	1	40	1	286p
BP (v)	850	1	1	10	1	40	1	286p
BP (w)	850	1	1	10	1	40	1	286p
BP (x)	850	1	1	10	1	40	1	286p
BP (y)	850	1	1	10	1	40	1	286p
BP (z)	850	1	1	10	1	40	1	286p
BP (aa)	850	1	1	10	1	40	1	286p
BP (ab)	850	1	1	10	1	40	1	286p
BP (ac)	850	1	1	10	1	40	1	286p
BP (ad)	850	1	1	10	1	40	1	286p
BP (ae)	850	1	1	10	1	40	1	286p
BP (af)	850	1	1	10	1	40	1	286p
BP (ag)	850	1	1	10	1	40	1	286p
BP (ah)	850	1	1	10	1	40	1	286p
BP (ai)	850	1	1	10	1	40	1	286p
BP (aj)	850	1	1	10	1	40	1	286p
BP (ak)	850	1	1	10	1	40	1	286p
BP (al)	850	1	1	10	1	40	1	286p
BP (am)	850	1	1	10	1	40	1	286p
BP (an)	850	1	1	10	1	40	1	286p
BP (ao)	850	1	1	10	1	40	1	286p
BP (ap)	850	1	1	10	1	40	1	286p
BP (aq)	850	1	1	10	1	40	1	286p
BP (ar)	850	1	1	10	1	40	1	286p
BP (as)	850	1	1	10	1	40	1	286p
BP (at)	850	1	1	10	1	40	1	286p
BP (au)	850	1	1	10	1	40	1	286p
BP (av)	850	1	1	10	1	40	1	286p
BP (aw)	850	1	1	10	1	40	1	28

INTERNATIONAL COMPANIES and FINANCE

ORDERS STRENGTHEN IN FINAL QUARTER

NCR slips as Burroughs climbs

BY OUR NEW YORK STAFF

TWO LARGE U.S. producers of data processing equipment, NCR and Burroughs, showed sharply different results for 1981 yesterday, with NCR bearing the brunt of the European recession, and Burroughs showing its first quarterly gain in more than 18 months.

Burroughs' improvement—a 12 per cent rise in fourth quarter profits—reflects the efforts of its new chairman, Mr Michael Blumenthal, to strengthen finances and reduce unprofitable operations.

Mr Blumenthal called 1981 a "transition year" but said he was pleased to report the improvement "during a time of generally poor economic conditions" both in the U.S. and

abroad. He claimed that efforts to improve the company were now showing results, and orders had strengthened noticeably in the final quarter. But he noted that foreign currency translation continued to unfavourably affect earnings.

Fourth quarter profits were \$62.9m, or \$1.51 a share, against \$56.4m, or \$1.37, in last year's fourth quarter. Earnings for the year were \$148.3m, or \$3.58 a share, up from \$83m, or \$1.99 in 1980, when a special charge of \$125m was included.

Mr Blumenthal added: "We expect further improvement in our operating results in 1982 as our operational programmes have continuing impact. Clearly, however, the uncertain and un-

settled economic conditions we face worldwide will have an important bearing on our industry."

NCR's 1981 income was down 18 per cent, and revenue rose only 3 per cent. Mr W. E. Anderson, the chairman, said that revenue had shown gains in many markets, but was off sharply in Europe. Despite the fall the company is raising its quarterly dividend by 5 cents to 60 cents a share.

He said the downturn in earnings reflects the combined effects of business recession in European markets and the substantial year-to-year decline in the value of European currencies relative to the U.S. dollar. It appears that these factors will

continue to affect our results to some extent in the first half of 1982."

Mr Anderson said 1981 was "disappointing," but added that orders picked up in the fourth quarter. NCR's financial position had improved and that he expected general business conditions to improve in the second half of this year, continuing into 1982.

NCR's total 1981 income was \$208.2m, or \$7.72 a share, down from \$254.7m, or \$9.51, in 1980. In the final quarter earnings were \$60.2m, or \$3.35 a share, compared with \$118m, or \$4.38. Revenue in 1981 was \$3.4bn, up from \$3.2bn in 1980, with the final quarter chipping in \$1.04bn compared with \$1.08bn.

Mixed showing by U.S. steel groups

By Our Financial Staff

TWO LEADING U.S. steel groups, Republic and Steel and Armco, have reported divergent earnings trends for the final quarter of 1981, reflecting their relative reliance on the basic steelmaking business.

Republic, the fourth largest producer in the U.S., saw net profits drop from \$35.96m to \$21.7m for the period, and has warned that the opening quarter of the current year could result in a loss from operation because of poor level of steel shipments.

Fourth quarter shipments fell to only 348,000 tons compared with 447,000 tons in the corresponding 1980 period and Republic expects its shipments in the current quarter to be at their lowest since 1975.

Sales for the quarter were down from \$1.04bn to \$975m, although for the year the total was ahead from \$2.76bn to \$4.26bn.

The company is one of the more efficient in the U.S. industry and has interests in the production and supply of tube and pipe for the booming oil and gas exploration and production industry, but it was only able to minimise the drop in its final quarter net profits by inclusion of a \$20.6m tax credit. This was partly offset by a \$3.2m write-off on certain plant and raw material properties.

Other sectors, on average, also showed improved results, although earnings in consumer products declined by 7 per cent, reflecting the difficult conditions that prevailed, especially in the last half of 1981. Major appliance, housewares and television businesses all reported lower earnings, although lighting products were slightly up. Air conditioning and audio products showed strong earnings and revenue gains.

Citicorp to issue \$150m zero coupon Eurobond

BY ALAN FRIEDMAN

CITICORP came to the Euro-dollar bond market yesterday with the tenth zero coupon issue in the past week, a \$150m issue priced at 85.50 per cent above par and maturing in only three years. The issue is being led by Merrill Lynch and yields 14.57 per cent at its issue price. The deal could provide \$98.75m to Citicorp.

Another zero coupon bond, the slow-moving \$150m Beneficial paper, had its terms adjusted last night to attract more investors. Lloyd Eastman said holders would be able to redeem the bonds at 67.20 per cent after five years, producing a yield of 15.50 per cent, an improvement of 1 per cent on the original yield.

The Eurodollar market saw a flurry of activity in the floating rate note sector with three new issues. A \$100m eight-year offer was

launched for ANAS, the Italian highway construction agency. The notes carry a spread of 3 per cent above six-month Libor and a minimum coupon of 5 1/2 per cent. Lead-managers are Banque Nationale de Paris and Banque Bruxelles Lambert.

The ANAS notes may be converted into ten-year fixed-rate bonds with a 18 per cent semi-annual coupon. The holder desires to do so within the first three years.

A \$100m five-year offer was launched for Altos Hornos de Mexico, the Mexican steel group. The notes carry a spread of 2 per cent above Libor and a 6 per cent minimum coupon. Lead manager is Loyds Bank International.

Finally, a \$75m five-year offer was launched for Swedish Export Corporation through Morgan Guaranty and Morgan Stanley. Simultaneously, the borrower is also offering \$12.50m warrants to purchase 142,500 shares of the company's 142,500 shares within the next 12 months.

The warrants are going to managers in lieu of a 1 1/2 per cent selling commission and the market yesterday valued warrants at \$72 to \$18.

The \$72m of notes was quoted by managers at 99 1/2, suggesting a yield of more than 1 per cent above Libor even though there is no spread above Libor to be paid to note holders.

The Kingdom of Spain launched a \$75m 10-year issue with an indicated 7 1/2 per cent yield through Credit Suisse.

From Nomura Securities came word of a \$10m 12-year private placement for the China International Trust Investment Corporation.

Two California banks end year with declines

By Our New York Staff

TWO LARGE California bank holding companies, BankAmerica Corporation and Crocker National, have gone against the general industry trend by showing earnings declines for the final quarter. Security Pacific, which divides the pair as second largest in California, managed a modest gain.

BankAmerica—which has regained the title of biggest U.S. bank with assets of \$121bn against Citicorp's \$119bn—saw net operating profits almost halved from \$180.8m, or \$1.09 a share, to \$84.6m, or 57 cents a share.

The bank's operating earnings for all of 1981 were \$445.4m, or \$3.02 a share, down sharply from \$645.5m, or \$4.39 a share. After securities transactions annual net profits were unchanged while in 1980 there was a \$1.6m reduction.

The bank's earnings have been badly squeezed by a combination of high funding costs and low yielding assets, mainly mortgages. It is currently trying to restructure its balance sheet, but at considerable cost.

Crocker International, now controlled by the Midland Bank of the UK, recorded fourth quarter net operating earnings of only \$4.4m, or 25 cents a share, compared with \$26.4m, or \$1.85 a share in 1980.

Crocker's full year earnings were \$62.2m, down from \$95.1m or from \$6.72 a share to \$3.98. After securities transactions net profits were \$62.9m compared with \$95.74m.

Good year for General Electric

BY OUR NEW YORK STAFF

GENERAL ELECTRIC, the leading U.S. diversified electrical and electronics group, reports a 9 per cent increase in both earnings and revenues last year. Earnings rose to \$1.65bn on revenues of \$27.24bn compared with earnings of \$1.51bn on revenues of \$24.96bn in 1980. Per share earnings were \$7.26 against \$6.92.

In the final quarter, earnings rose 11 per cent to \$452m, or \$1.99 a share, on a 9 per cent increase in sales to \$7.56bn.

Mr John Welch, GE's chairman, said the improved results resulted from "good operating performance despite two successive years of erratic U.S. and world economic conditions."

The company last year received almost \$30m worth of new orders, or 17 per cent more than in 1980. With about \$2bn spent on new plant and equipment last year, GE said

its cumulative investment for the last three years totalled more than \$5bn.

Mr Welch said the company's financial position continued to be strong. Total assets exceeded \$20bn for the first time last year, while debt-to-capital ratio was below 20 per cent. Cash and marketable securities increased by 11 per cent and now stood at more than \$2.4bn. GE expected the second half this year to be much stronger than the first half.

The company's revenues and earnings from natural resources were substantially higher than the previous year, led by increased sales and earnings from its Australian coking coal subsidiary.

Services and materials sales and earnings were sharply up, while power systems also showed good earnings on modestly higher revenues. Mr

Welch said the nuclear power business was "modestly profitable" on good demand for fuel and services coupled with rigorous cost control.

Aircraft engine revenues and earnings increased on higher volumes in military aircraft engines. But commercial aircraft engine shipments were lower because of the problems of the airline industry.

Other sectors, on average, also showed improved results, although earnings in consumer products declined by 7 per cent, reflecting the difficult conditions that prevailed, especially in the last half of 1981. Major appliance, housewares and television businesses all reported lower earnings, although lighting products were slightly up. Air conditioning and audio products showed strong earnings and revenue gains.

Westinghouse Electric downturn

BY OUR NEW YORK STAFF

WESTINGHOUSE ELECTRIC, the power equipment manufacturing and communications group, has reported lower fourth quarter earnings, although profits for the whole of 1981 are up by 9 per cent.

The lower earnings in the final quarter largely reflected the acquisition of Teleprompter, the cable television operator. Westinghouse completed the deal last summer but the cost was accounted for in the final

quarter. Mr Robert Kirby, chairman of Westinghouse, described the \$648m purchase as "the most important acquisition in our history, requiring a significant use of funds." The company's balance sheet, however, remained strong.

Profits at Westinghouse last year rose to \$438m on sales of \$9.37bn from earnings of \$402.9m on sales of \$8.51bn in 1980. In the final quarter, earnings

totalled \$103.1m on sales of \$2.53bn, compared with profits of \$107m on sales of \$2.26bn in the comparable period of 1980.

The company said operating profit margins increased in 1981 from 1980 levels. All of its three major operating companies and its broadcasting subsidiary reported higher sales. But operating profits at its power system subsidiary were "somewhat lower."

Also, it said this week it had bought a controlling stake in a Brazilian manufacturer of oilfield drilling equipment, Equipetrol.

The deal will give Armco's National Supply subsidiary, its largest marine manufacturing base and will be used to expand output of a wider range of products.

Equipetrol's shipyard and manufacturing plant, located in Salvador, Brazil, employs 2,400. Armco already has a plant for special steel and various other interests in Brazil.

Recession hits Caterpillar Tractor

By Ian Hargreaves in New York

CATERPILLAR TRACTOR, the large U.S. machinery company, suffered a sharp setback in fourth quarter profits and said it expects to lay off more than 2,000 additional workers in the U.S.

Caterpillar net earnings were \$103.2m on sales of \$2.2bn in the quarter, compared with \$142.2m on sales of \$2.09bn in the same period of 1980.

The profits decline was even worse than these figures suggest, however, as Caterpillar had a \$1.3m tax credit in the 1981 quarter, against a \$1.7m expense the year before.

For the whole of 1981, Caterpillar reported earnings of \$578.9m on sales of \$9.12bn, compared with \$564.8m on sales of \$8.6bn in 1980. Per share profits came to \$6.64 against \$6.53 with the final quarter adding \$1.18 compared with \$1.65.

U.S. QUARTERLIES

Table with columns: Company, 1981, 1980, Net profit, Net per share. Includes HNSP/Trust Corp, McCormick & Co, Walt Disney Productions.

Mexico refines terms of \$400m Banrural credit

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

MEXICO HAS refined the terms of the forthcoming \$400m, eight-year Eurocredit for its agriculture bank Banrural to introduce a tranche on which the margin paid will be 1 per cent over London interbank offered rate (Libor).

Lenders in this tranche will also have an opportunity to lend as a margin of 3 per cent over a U.S. prime rate, but both margins are 1 point higher than the originally announced spreads of 2 over Libor or 2 over prime.

The new tranche, however, will be treated differently for tax purposes as lenders at the higher margins will have to absorb half the Mexican withholding tax, currently charged at a rate of 15 per cent. Banrural itself will pay all the withholding tax due on funds lent

et the lower margins in the first tranche, providing a certificate of payment to lending banks.

The availability of a tax credit in its home country against tax actually paid by a lending bank will thus help to deter some lenders, although some bankers said yesterday they viewed this complicated exercise as an attempt by Mexico to avoid setting clear standard terms for its credits in a market that remains volatile.

Now confirmed officially is the list of lead managers for the credit which comprises Arab Banking, Arlabank, Bank of America, Banco Exterior de Espana, Kuwait Foreign Trading Contracting and Investment, Lloyds Bank International, Dai-ichi Kangyo and Yasuda Trust.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details on any of the bonds see the complete list of Eurobond prices which will be published next on Tuesday February 16.

Table of international bond issues with columns: U.S. Dollar, Issued, Offer, Other, day week Yield, Change on week.

Table of floating rate notes with columns: Issued, Offer, Other, day week Yield, Change on week.

Table of convertible bonds with columns: Issued, Offer, Other, day week Yield, Change on week.

Table of other straight issues with columns: Issued, Offer, Other, day week Yield, Change on week.

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Companies and Markets **INTL. COMPANIES & FINANCE**

Rights issue from GHH as orders and exports rise

BY JONATHAN CASE IN OBERHAUSEN

GHH, Europe's biggest mechanical engineering group, will maintain a 14 per cent dividend this year, thanks to satisfactory earnings and buoyant export business.

Dr. Manfred Lennings, the executive chairman, estimated that group turnover for the year ending June 1982 would be around DM 1.8bn, after DM 16.7bn in 1980-81, and noted that incoming orders were up sharply in the half year to December.

GHH's confidence is the more noteworthy since its business year covers the worst period of West Germany's domestic recession—a trough widely expected to be overcome during the second half of 1982. The company's dividend has thus had to be earned almost entirely in overseas markets.

The first half figures show

the orders intake up by 30.1 per cent to DM 9.9bn, with a rise of 64 per cent abroad to DM 6.2bn and a fall of 2 per cent at home. Orders in hand in December stood at DM 18.6bn, nearly 10 per cent higher than six months earlier.

Group turnover rose by 23.2 per cent to DM 8.5bn, with a boost of 44 per cent to DM 4.5bn in foreign sales and

a small upswing of 5.7 per cent to DM 3.5bn in domestic sales.

About 75 per cent of the orders in hand came from abroad. But of foreign business, 28 per cent came from OPEC (against 35 per cent at the end of the 1979-80 business year), and 19.3 per cent from developing countries. Over the same period there had been a rise in the share of orders from the industrialised countries from 34 per cent to 37 per cent.

Dr Lennings said GHH sales to Poland had totalled DM 214m over the last five years, of which DM 65m had been in 1980-81. The group's current uncovered risk on its Polish business totalled DM 5m.

For 1980-81 net profit fell by 3.9 per cent to DM 117m. Interest payments rose sharply to DM 307m from DM 93m.

GHH proposes to raise about DM 227m through a one-for-five rights issue at DM 125 a share and will use the proceeds "at the appropriate moment" to increase the capital of some subsidiaries. Key shareholders have already indicated their willingness to participate.

Sacilor-PUK special steels deal

BY TERRY DODSWORTH IN PARIS

SACILOR, France's second largest steel group, agreed yesterday to the takeover of the special steel interests of Pechiney Ugine Kuhlmann (PUK) in a deal which concludes the streamlining of the industry begun by the Government in 1978.

Agreement between the two companies follows two and a half years of spasmodic negotiations bedevilled by the size of losses in Ugine Aciers, the PUK subsidiary. Talks were broken off in April last year when it became clear that Ugine, having run up losses of around FF 855m (\$147m) in the previous three years, was heading for a further heavy deficit in 1981.

No figure has been put on last year's loss as yet, but M Philippe Thomas, chairman of PUK, said yesterday that a substantial part of the group's deficit of around FF 1.75bn (\$302m) last year came from the special steels division.

Because of the extent of the losses it is expected that the Government will come to the aid of Sacilor and pump in fresh funds to enable it to absorb Ugine. A similar procedure was used in last year's takeover of Creusot Loire's special steels subsidiary, when the Government put up soft loans of FF 500m to Usinor, the country's largest steel

manufacturer.

Under the plan considered last April, Sacilor hoped to receive about the same amount. But it is now felt that the aid could be even higher.

Ugine Aciers makes around 800,000 tonnes of steel a year. These activities will be linked up within Sacilor with a special steels activity which already comprises the former Pompey company, and which may in future take in similar interests owned by Renault.

The result of yesterday's agreement is to leave France with virtually all its substantial steel manufacturing activities grouped under two main companies, Sacilor and Usinor.

Fiat shows sharp improvement in consolidated sales

BY JAMES BUXTON IN ROME

FIAT, Italy's biggest private enterprise, yesterday confirmed the improvement in its fortunes after three years of operating losses.

Consolidated turnover—the first time figures have been presented on this basis—amounted to L22,000bn (\$17.9bn), an improvement of 21 per cent on 1980.

The car division, which accounted for 44 per cent of total sales, closed in balance, despite a loss in Latin America, where the market fell by 40 per cent in 1981. All other divisions, except for steel, closed in substantial profit, a marked improvement on 1980.

The company invested L1,242bn during the year against L980bn in 1980. The workforce fell from 342,600 to 315,400—reflecting

the lay-offs and labour force reductions which followed the 1980 strike. Fiat attributes its improved performance to the successful outcome of that confrontation with the workforce.

Car production by Fiat plants in Italy fell by 12 per cent to 1.15m vehicles, a fact which accounts for large scale lay-offs among Fiat's suppliers as well as among Fiat workers. But the number of vehicles sold in Italy—349,000—was marginally up.

Fiat maintained its share of the Italian market at 51.6 per cent while sales abroad rose by 8 per cent. Fiat took 13.5 per cent of the total European market.

In the industrial vehicle division (Iveco), turnover was L5,100bn, compared with L4,100bn in 1980.

State-backed Fl 50m loan for KBB

BY CHARLES BATCHELOR IN AMSTERDAM

KBB, the loss-making Dutch stores group, has been granted a Fl 50m (\$20m) loan by the government-backed National Investment Bank to strengthen its capital ratios.

KBB's Fl 9.6m (\$4m) in the 1981 first half and expects to have incurred an even larger loss over the year as a whole.

With controls on wages now in their third year, retailing profits in the Netherlands have come under strong pressure. KBB has a number of store chains ranging from the up-market De Bijenkorf department stores to the lower-priced Rema stores and Maxis hypermarkets.

Swiss central bank to expand home portfolio

By John Wicks in Zurich

THE SWISS NATIONAL BANK plans to diversify its assets by building up its portfolio of domestic securities. The bank says its monetary goals will remain unchanged and that the step is intended to increase its ability to influence domestic liquidity without intervening on the foreign exchange market.

The gradual expansion in the domestic portfolio is seen as counteracting what the national bank calls a preponderance of gold and foreign currency reserves in its assets. Of total assets, about SwFr 35.95bn (\$19.43bn) out of SwFr 37.85bn was accounted for by these two positions.

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The Council of The Stock Exchange has admitted to the Official List all the 870,111,434 Common Shares issued and reserved for issue.

Particulars relating to American Telephone and Telegraph Company are available in the Extel Statistical Service and copies of such particulars may be obtained during usual business hours on any weekday (Saturdays excepted) up to and including 11th February, 1982 from:

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Cazenove & Co.,
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21st January, 1982

South African sugar groups in merger talks

By Jim Jones in Johannesburg

SOUTH AFRICAN sugar groups Hulett's and Tongaat are in merger talks. The two companies have a combined stock market value of R2,200m (\$490m).

Tongaat holds an 80 per cent share and is expected by Johannesburg stockbrokers to bid for Hulett's capital. The two groups produce around 40 per cent of South Africa's sugar.

Danish minister hits back at funding policy critics

By Hilary Barnes in Copenhagen

EREDICATIONS that the Danish bond market is about to collapse as a result of the high level of government funding needed to finance the budget deficit were described as "completely unrealistic" yesterday by Mr. Knud Heinesen, the Finance Minister.

Mr. Heinesen's comments followed a warning against buying government bonds given in a Copenhagen newspaper by Prof. Knud Rasmussen, of the Aarhus University of Trade and Commerce.

Ministry of Finance.

As a result the total borrowing requirement will rise from Dkr 65bn to Dkr 82bn, and the net borrowing requirement from about Dkr 41bn to Dkr 53.4bn. About 75 per cent of last year's net borrowing requirement was financed through the domestic bond market.

The academic furor over the state budget deficit comes at a time when planned government capital market reform is already adding to uncertainty for bond prices. The average yield on long-term bonds in Copenhagen is around 19.3 per cent.

In the year-ended March 1981, Tongaat earned a pre-tax profit of R48.2m on a turnover of R557m. Hulett's pre-tax profit for the same period was R67.2m on turnover of R521m.

Tongaat is more widely diversified than Hulett's. Its sugar interests contributed only 11.9 per cent of total pre-interest profits last year. The remainder came from building materials, food, textiles and investments.

With the sale last year of its paper interests Hulett's derives most of its profits from sugar; its only other major interest is in aluminium rolling.

Anglo American Corporation owns half of S&T Investment, which in turn has 53.5 per cent of Hulett's. Tongaat owns the other half of S&T. In addition, Anglo American owns about 17.4 per cent of Tongaat.

Within a few months the budget deficit will cause the capital market to collapse," Prof Rasmussen predicted. The Government would be forced to reschedule its debts by means of converting short-term paper into long-term bonds, he said.

Prof Rasmussen was adding his voice to those of several other academics who have warned against the possible consequences of the rising budget deficit. The debate was sparked off last autumn by Mr. Steffen Moeller, the chief economist of the Metal Workers Union, who warned that the budget deficit could lead to a state bankruptcy.

The state budget deficit on current and lending account will rise by 40 per cent in 1982—to Dkr 47.7m (\$8.97bn), about 10 per cent of gross domestic product, compared with Dkr 34.2bn last year, according to the

Next week the Government plans to present a Bill introducing index-linked mortgage bonds. It intends that pension funds and life insurance companies should invest about 40 per cent of any increase in their assets in index linked stock which will carry a 2.5 per cent "real" rate of interest.

For their part, government economists and the three joint chairmen of the semi-independent Economic Advisory Council reject the arguments of Prof. Rasmussen.

In their December report on the state of the economy the three argued that the Government could always finance its deficit, as it was only borrowing back money which was itself pumping into the economy.

Scrip issue from Bols

By Our Amsterdam Correspondent

LUCAS BOLS, the Dutch distiller and drinks group, plans to make a one-for-10 scrip issue on February 2. It will also pay an unchanged Fl 10 interim dividend per Fl 10 nominal share on both the outstanding capital and the new shares.

The scrip issue will lead to the placement of 448,000 new shares bringing the total to nearly 4.93m. Bols last increased its capital, also by a one-for-10 scrip issue, in January 1980.

The company reported a 34 per cent increase in its net profit to Fl 23.1m (\$9m) in the first half of 1981 on sales which were 10 per cent higher, although it gave no turnover figures. It then forecast that profits would not maintain this rate of increase in the year as a whole.

In 1980 Bols made a net profit of Fl 43.2m on sales of Fl 921m and paid a total dividend of Fl 4.

This announcement appears as a matter of record only.

ENGELHARD CORPORATION
Menlo Park, New Jersey

has acquired 50% with option for the remaining 50% of the share capital of

COMPAGNIE DES METAUX PRECIEUX
Paris, FRANCE

The undersigned acted as advisor

BANQUE DE LA SOCIÉTÉ FINANCIÈRE EUROPÉENNE
SFE GROUP
20, rue de la Paix 75002 PARIS

January 1982

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.
on January 18th 1982 U.S. \$89.68

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heiding & Pierson N.V.
Herengracht 214, 1016 BS Amsterdam.

VONTobel EUROBOnd INDICES
143.76 = 100%

PRICE INDEX	12.1.82	19.1.82	AVERAGE YIELD	12.1.82	19.1.82
DM Bonds	91.33	91.51	DM Bonds	3.830	3.883
Hfl. Bonds & Notes	84.53	84.50	Hfl. Bonds & Notes	10.011	10.003
U.S. \$ Int. Bonds	85.34	88.15	U.S. \$ Int. Bonds	14.324	14.438
Can. Dollar Bonds	88.03	91.82	Can. Dollar Bonds	14.420	14.695

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Philippines scandal forces Bancom to trim

By Emilia Tragaza in Manila

THE FINANCIAL crisis in the Philippines capital market early last year has cut deeply into the Bancom Group, the business empire which sired the creation of the country's money market and the operations of which have been strongly felt in other markets in Southeast Asia. As part of a number of trimming measures, the latest Bancom subsidiary to have gone is Bancom International Ltd (BIL), the Hong Kong-based merchant bank which was the most profitable unit in the group. Its sale last month considerably cuts Bancom's international reach, but it also generates much-needed cash to help consolidate the group's operations at home.

The scandal that rocked the Philippines financial system and hit Bancom the hardest, was over the disappearance last January of the Filipino-Chinese business magnate, Mr Dewey Dee, who left some \$25m pesos (\$80m) in personal and corporate commitments. Most of the corporate debts were owed to private investors who bought commercial paper issued by Mr Dee's companies, which were in turn underwritten and fully guaranteed by investment houses, mainly Bancom.

The group's flagship company, the investment house Bancom Development Corporation (BDC), had a total exposure of about \$5m in Dee's companies. Part of the amount represented direct loans. But the bulk was in the form of commercial papers underwritten and fully guaranteed by Bancom. So when Mr Dee mysteriously slipped out of the Philippines, panic-stricken holders of his papers called in their investments. Panic spread like wildfire, and investors in even the most liquid companies fell into the rush.

The sale of Bancom International Limited applies a brake on Bancom Group's ambitious

overseas thrust in the Association of South-East Asian Nations (Asean), it had established a stable network of financial institutions including Asiavest Holdings Bhd in Malaysia and PT First Indonesia Finance and Investment Corporation in Indonesia. Having become strongly entrenched in Asia, Mr Sixto Roxas, the Bancom president, announced expansion plans aimed at the Middle East. But the plans were laid before the Dewey Dee fiasco and may no longer be hatched. With the sale of BIL, Bancom is now expected to concentrate its resources and energies on its domestic operations.

At a post-sale interview, Mr Roxas said that the sale was at a "sizeable premium, almost double the company's book value." As of September, BIL's book value stood at almost \$23m. Its 1980 annual report shows an after-tax profit of \$2m and total assets of \$182m.

Mr Roxas said that BIL commanded a premium because the buyers, mostly Chinese banking and property concerns, could easily convert it into a fully licensed commercial bank in Hong Kong. He reported that BIL's new shareholders were officials from Hongkong Islands Shipping Company, the Far East Group, which is involved in both banking and construction, Kwan On Construction Company, Tetra Finance (HK), which is controlled by Arab interests, and Mr Philip Kwong, a director of the Hongkong Metropolitan Bank.

Mr Roxas would not go beyond saying that Bancom International Holdings Ltd (BIHL), the group's holding company for international concerns, decided to sell out "to realise values from investments in BIL and preserve BIHL's capital in the light of uncertain economic conditions."



Mr Sixto Roxas: Government seeks his advice.

But a top Bancom official said that the sale of BIL was part of the divestment programme that the Philippines central bank had imposed on Bancom "as a condition for rescuing the group during the rush of preterminations."

In March and April, Bancom drew almost 500m pesos (\$63m) in emergency funds from the central bank to pay off the panic investors. The emergency advances were drawn under the bank's lender-of-last-resort facility and carried a penalty rate of 24 per cent payable after 60 days. Failure to pay after 60 days meant an additional interest of 2 per cent per month. The Bancom official said that

the portion of the proceeds from the sale of BIL that would accrue to Bancom Philippine Holdings Inc (BPHI), the holding company for all domestic operations, was to contribute to the liquidating of this high-cost emergency money. Part of the liquidation is also expected to be worked out by Bancom with two other government financial institutions that have also come to its rescue—Land Bank of the Philippines and the Social Security System (SSS). Upon the participation in Bancom of the two government agencies, the bulk of the emergency advances were converted into a long-term facility with an annual interest of only 12 per cent.

Land Bank has injected 140m pesos (\$17.5m) in fresh equity into Bancom, while SSS has put in another 100m pesos (\$12.5m). As a condition of the financial package from the two Government institutions, Bancom had to merge four of its financial units—the Bancom Development Corporation, Bancom Finance Corporation, Union Savings Bank and the First Countryside Credit Corporation. The entity emerging is the Union Savings Bank, which has been renamed the Union Bank of the Philippines, with the Land Bank and the SSS jointly controlling 70 per cent of the capital.

Although the Government now holds the majority of Bancom's new bank, the top operating posts remain in the hands of Bancom officials. But there are Bancom officials who foresee a tussle between the Bancom manager-technocrats and the Government policy makers.

Some industry observers feel that the Roxas camp will keep some of the proceeds from BIL's sale as a means of maintaining clout in the Government-controlled Union Bank. In whatever way they use it, its purpose will be to maintain Bancom's innovative style of banking. It is suggested "Bancom may have lost its corporate identity but its founder, Mr Roxas, would want his mark of vision and innovation retained in the new bank," a local banker says.

Apart from Bancom International Limited, other Philippines-based subsidiaries are also up for disposal, so that Bancom is free again to concentrate on finance. Most likely to be sold first are its agricultural equipment distributor, its movie-making unit, the book and magazine distribution company, and its electronic parts assembler. Shortly after its in-

corporation in 1963 as an investment house, Bancom had moved aggressively into other fields, including real estate, agriculture, medical services, and other concerns.

During the earlier years of operations, a job at Bancom was every young Filipino banking or economics graduate's dream. Bancom's approach to financial intermediation and general business conduct was unconventional, but it translated into profits.

More important, Bancom had prestige rubbed into it by Mr Roxas, whose opinion and advice is often sought by Government monetary officials, though on a private and informal basis.

His services have also been sought by multinationals. He has served as vice chairman of the American Express International Banking Corporation and was recently named a director of Sime Darby in Malaysia.

Treasury bills

It was Mr Roxas who initiated the creation of the Philippines securities market in 1965. "When we started, there was only a small inter-bank market that loaned to one another on an unsecured basis," he says. "There was only borrowing and lending but no securities market to speak of." He later convinced the central bank to sell 13-week and 26-week Treasury bills on the open market. Bancom floated its own bills and that was the start of the Philippines securities market.

The reversal in Bancom's fortunes has been blamed on its whirlwind diversification into non-financial areas. A central bank official says that Bancom's management spread itself too thinly into venture not financially allied.

By 1978 and 1979, Bancom's profits started to falter. Funds were rechannelled to prop up marginal subsidiaries and affiliates. But Dewey Dee's disappearance gave Bancom a crucial blow.

The resulting fall reflects the weaknesses in the Philippines financial system, particularly in the area of regulations. After Mr Dee's disappearance, the central bank found that he and a lot of other corporate borrowers had been able to issue unregistered commercial paper much in excess of their borrowing limits because of inadequate monitoring and control by regulatory bodies, including the Securities and Exchange Commission.

Consequently, the central bank introduced measures not only to rescue affected companies and financial institutions, but also to prevent the recurrence of similar crises. The latest regulation to be approved requires that 20 per cent of each new issue of debt instruments be backed by a credit line from a bank. This is hoped to ensure a more thorough check on the part of the banks giving the credit lines. The central bank is also to maintain a ceiling on the total amount of commercial papers outstanding in the market at any given time. A credit information system is also being worked out to facilitate banks and investment houses cross-checking details on a borrower.

GOLD FIELDS GROUP
NEW WITWATERSRAND GOLD EXPLORATION COMPANY, LIMITED
(Incorporated in the Republic of South Africa)

INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 1981

The unaudited consolidated results for the six months ended 31 December 1981 are as follows:

	Six months ended 31 Dec. 1981	Six months ended 31 Dec. 1980	Year ended 30 June 1981
Revenue	R900	R909	R909
Income from investments	4,171	4,888	9,099
Profit on realisation of investments	—	3	808
Interest and sundry	393	90	302
Expenditure and amounts written off	4,564	4,961	10,216
Administration and general	230	188	338
Written off	—	—	24
Profit before tax	4,384	4,793	9,857
Tax	118	112	274
Profit after tax	4,266	4,781	9,583
Minority shareholders' interest	—	—	218
Profit attributable to members	4,266	4,781	9,365
	At 31 Dec. 1981	At 31 Dec. 1980	At 30 June 1981
Listed investments:			
Stock Exchange value	95,918	92,573	70,931
Book value	20,735	15,728	13,924
Excess over book value	75,183	76,845	56,007
Net asset value per share—cents	366	385	725
Earnings per share—cents	25.5	40.4	51.1
Dividends per share—cents	18.0	18.0	48.0
Times dividends covered	2.9	2.2	1.6

NOTE:
 Dividend No. 61 of 23 cents per share, absorbing R3,235,000, was declared and paid during the period. This dividend was declared out of profits for the year ended 30 June 1981.

DECLARATION OF INTERIM DIVIDEND
 Dividend No. 62 of 18.0 cents per share, has been declared in South African currency, payable to members registered at the close of business on 5 February 1982.

Warrants will be posted on or about 9 March 1982.

Standard conditions relating to the payment of dividends are obtainable at the share transfer offices and the London office of the company.

Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 5 February 1982 in accordance with the above mentioned conditions. The register of members will be closed from 6 to 12 February 1982, inclusive.

Registered and Head Office:
 Gold Fields Building
 75 Fox Street
 Johannesburg
 2001

London Office:
 49, Moorgate
 London EC2R 6BQ.

United Kingdom Registrar:
 Close Registrars Limited
 903, High Road
 Leyton
 London E15 7AA

20 January 1982

On behalf of the board
 E. R. VAN ROOYEN
 (Chairman), Directors
 A. J. Weidenman

EUROBONDS

The Association of International Bond Dealers' Quotations and Yields appears monthly in the Financial Times. It will be published on the following dates:

MONDAY 15th FEBRUARY 1982	THURSDAY 18th MARCH 1982
THURSDAY 15th APRIL 1982	WEDNESDAY 12th JULY 1982
WEDNESDAY 15th JUNE 1982	TUESDAY 14th SEPTEMBER 1982
WEDNESDAY 15th AUGUST 1982	THURSDAY 11th NOVEMBER 1982
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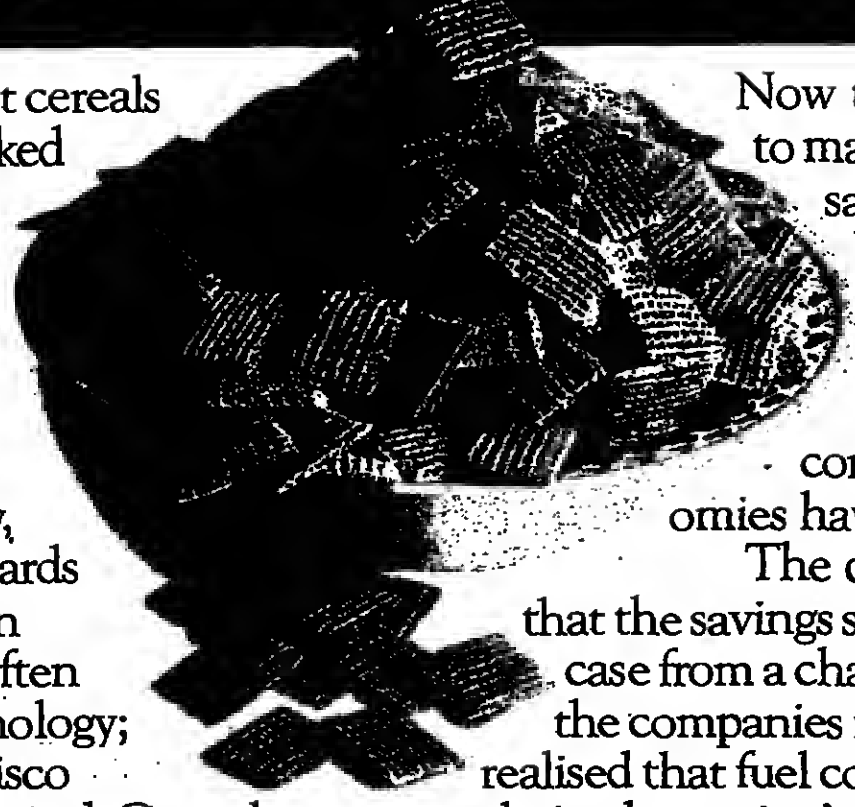
HOW GAS PRODUCED MORE SHREDDIES WITHOUT EATING MORE FUEL.

Most breakfast cereals are supposedly 'packed with energy'; but Nabisco have been trying to produce Shreddies with less of it.

Like any fuel-conscious company, they took steps towards energy conservation long ago. But this often involves high technology; consequently, Nabisco called in the Technical Consultancy Service of Eastern Gas to take a look at their baking line.

Working closely with their client, Eastern Gas recommended and installed a new method of firing the oven. The result was a 21.6% increase in production, for the same amount of Gas.

But because of the improved heat distribution in the oven, Nabisco also gained on product quality. And they even reduced their maintenance costs into the bargain.



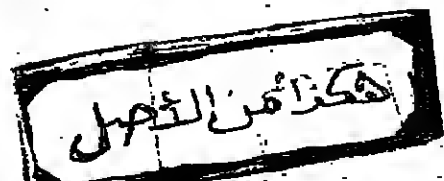
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December 1981 This announcement appears as a matter of record only

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Landesbank Saar Girozentrale	Hessische Landesbank - Girozentrale -
Badische Kommunale Landesbank - Girozentrale -	Landesbank Schleswig-Holstein Girozentrale
Staatliche Kreditanstalt Oldenburg - Bremen	Württembergische Kommunale Landesbank Girozentrale

INTERNATIONAL COMPANIES and FINANCE

CANADIAN BORROWERS DOMINATE LIST

World Bank tops bond league

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE World Bank was the largest single borrower in international bond markets last year with a total amount raised of \$3.85bn, compared with only \$2.23bn in 1980, according to figures compiled by Salomon Brothers, the U.S. investment house.

It was followed by the European Investment Bank with a total of \$1.82bn, although this was well below the \$2.45bn raised by the EIB in 1980.

Salomon Brothers says that 54 individual borrowers raised \$200m or more in international bond markets last year, accounting for 35 per cent of the market's total volume.

The list was dominated by Canadian borrowers, 11 of which borrowed \$200m or more and accounted for \$10.5bn, or 23 per cent of all new international bond issues.

\$338m while Canadian Imperial Bank of Commerce and Canadian National Railways were not far behind with \$428m and \$400m respectively.

The "phenomenal growth" in Canadian borrowings was attributable to the high level of domestic interest rates and the strong domestic credit demand resulting from the Government deficit and takeovers of foreign-owned com-

panies, Salomon says. Its study, believed to be the first to analyse the activities of individual borrowers in world markets, also showed a heavy increase in credit demand from development banks, except the EIB, and by U.S. corporations, who were crowded out of their domestic market.

Both the Inter-American Development Bank and the Asian Development Bank made it to the list of the top 15 borrowers for the first time, having doubled their respective borrowings of 1980.

The study also shows that there was a marked shift towards shorter maturities in the Euro D-Mark and foreign Swiss franc sectors with 95 per cent of all new issues having a maturity of 10 years or less compared with 91 per cent in 1980 and 78 per cent in 1979.

Exports gained by 27.3 per cent to account for 47 per cent of turnover but because of the year's appreciation against the major European currencies operating profits were squeezed by Y1.8bn. However, increased production of portable cassette tape recorders and profitable VTR sales helped earnings.

In the current fiscal year sales of audio related equipment are expected to remain unchanged while VTR sales to Sony are expected to reach Y10bn.

As a result, full year operating profits are expected to reach Y1.85bn, up 10 per cent and net profits are projected at Y900m, up 5 per cent. Sales are forecast at Y64.5bn, up 21 per cent.

Tri-Kenwood, the Japanese audio equipment maker, suffered a net loss of ¥25m (\$1.4m) in the first half year ended November 30, compared with a ¥408m profit in the corresponding period of 1980. Reuter reports from Tokyo.

This sharp reversal in earnings took place against the background of an increase in sales from ¥80.1bn to ¥32.2bn.

Aiwa boosts annual net profits by 20%

BY YOKO SHEBATA IN TOKYO

AIWA, the Japanese audio equipment maker in which Sony Corporation has a 54.6 per cent stake, increased unconsolidated operating profits by 11.5 per cent to ¥1.68bn (\$7.5m) in the year ended November 30.

Aiwa's unconsolidated net profits rose by 20 per cent to ¥588m on unconsolidated sales of ¥53.34bn (\$238m) up 14.7 per cent over the previous fiscal year. Per share profits were ¥19.59, compared with ¥19.57.

The company's sales of radio-cassette tape recorders rose by 5.3 per cent to account for 38 per cent of total sales. Sales of audio equipment rose by 26.1 per cent to account for 40 per cent of the turnover, thanks to brisk sales overseas where there was a 34 per cent increase.

Sales of portable stereo cassette tape recorders rose by 85.8 per cent to account for 17.5 per cent of the total.

The company also started production of profitable video tape recorders in the year as a supplier of original equipment to Sony.

VTR sales amounted to ¥763m to account for 1.4 per cent of the total turnover.

Top 15 issuers in major international bond markets (\$m equivalent)

Table with columns for Year (1981, 1980, 1979, 1978) and Issuer (World Bank, EIB, Hydro-Quebec, etc.)

Bernard-Simon in Johannesburg reports on a study of foreign shareholdings in South African mining groups

Diamond fears drive foreigners from De Beers

EUROPEAN INVESTORS increased their holding of South African mining shares in 1981 at the expense of U.S. shareholders, according to a report on foreign portfolio investment in South African mining companies compiled by Davis, Borkum, Hare, a firm of Johannesburg stockbrokers.

However, both U.S. and European investors have been large sellers of De Beers shares in the past two years, as fears have mounted over the effectiveness of its future control of the diamond market.

The proportion of foreign shareholders in De Beers slipped from 46.7 per cent in October 1979 to 40.3 per cent two years later. South African institutions, however, have been willing buyers, thereby preventing a sharp decline in De Beers' share price.

The findings of the Davis, Borkum, Hare report confirm the impact of heavy stock market losses that the fall in the diamond price since early 1980 has caused greater alarm

among U.S. investors than their European counterparts. A partner in a leading Johannesburg, stockbroking firm said yesterday that Europeans, particularly the Swiss, have adopted a more bullish approach. They think that the drop is temporary.

According to the study, the total value of foreign portfolio investment in the South African mining industry, measured by market capitalisation, stood at around R18bn (\$13.4bn) last October. Of this sum, R8.2bn was invested in gold mines.

U.S. investment in the gold mines totalled R5.5bn, accounting for some 27 per cent of total shareholdings, which was four times its value in 1977.

Although the study is a thorough analysis of mining companies' share registers, it does have several shortcomings. It excludes foreigners' indirect beneficial shareholdings, which in some cases are substantial. Further, the compilers have had to estimate the extent to which shares owned by non-

FOREIGN OWNERSHIP OF SOUTH AFRICAN MINES (% at October 31)

Table showing foreign ownership percentages for South African gold mines (total), Anglo American Corporation, De Beers, Rustenburg Platinum, etc.

U.S. SHARE OF FOREIGN TOTAL (%)

Table showing U.S. share of foreign total for South African gold mines (total), Anglo American Corporation, De Beers, Rustenburg Platinum.

Source: Foreign Holdings in South African Mining Companies, published by Davis, Borkum, Hare, Johannesburg.

and Pechiney Ugine Kuhlmann of France.

Several listed gold mining companies are more than 50 per cent owned by foreigners with Blyvooruitzicht, Durban Deep and East Rand Proprietary Mines (ERPM) held more than 62 per cent by non-South Africans. The foreign shareholding in Blyvooruitzicht jumped from 50.3 per cent in 1977 to 64.6pc in 1981.

Blyvooruitzicht is one of several short-life mines which pay a relatively high dividend, making them attractive to foreign investors who buy shares through South Africa's cheap investment currency, the financial rand, but are able to remit dividends at the commercial exchange rate.

According to Davis, Borkum, Hare, the 10 most popular gold stocks among U.S. investors are Blyvooruitzicht, Durban Deep, Bracken, Loraine, Elsberg, Free State Geduld, Venterspost, Groenrivier, Randfontein and Doornfontein. The U.S. interest in these mines ranges from 35

per cent to 53 per cent. Despite these large foreign investments, there is little likelihood of outsiders wresting control of the mines from the South African mining houses which manage their operations. Foreign shareholdings, particularly in the U.S., are widely dispersed and it is doubtful whether other companies would have the expertise to run the mines, even if they wished to.

Although the South African Government allows foreign control in other sectors of the mining industry, it is doubtful whether it would allow a foreign company to acquire direct control of a large gold mine.

Foreign investment in the mining industry is far heavier than in most other sectors of the South African economy, with the exception of the oil, motor and pharmaceutical industries.

The high cost of establishing mines long ago prompted the mining houses to raise capital abroad, and most are listed on European stock exchanges.

BROWN BROTHERS HARRIMAN & CO. PRIVATE BANKERS. Statement of Condition, December 31, 1981. Assets: Cash and Due from Banks, U.S. Government Securities, etc. Liabilities: Deposits, Federal Funds Purchased, etc. Partners: J. Eugene Banks, Walter H. Brown, etc.

NEW ISSUE. Banco Urquijo, S.A. (Singapore Branch). U.S. \$50,000,000. Six Year Non-London Certificate of Deposit Facility. Arranged by Merrill Lynch International Bank Limited.

U.S. \$150,000,000 Kingdom of Sweden Floating/Fixed Rate Bonds Due 1991. In accordance with the provisions of the Bonds, notice is hereby given that for the three months interest period from 21st January, 1982 to 21st April, 1982 the Bonds will carry an interest rate of 14 3/4% per annum.

Offshore Mining Company Limited U.S. \$100,000,000 Guaranteed Floating Rate Notes due 1986. For the six months 21st January, 1982 to 21st July, 1982. In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 15 1/4 per cent.

An announcement by the General Petroleum and Minerals Organization (Petromin) of Saudi Arabia. The General Petroleum and Minerals Organization (Petromin) of Saudi Arabia, announces that it is the only organization authorized by the Government of the Kingdom of Saudi Arabia to carry out crude oil sales in accordance with the governmental sales policies.

APPOINTMENTS

IDV Group changes

Mr Ian Ritchie has been appointed managing director of wine and spirit merchant PETER DOMINIC. He was finance director and becomes purchasing director and succeeds Mr Barry Suttor, who becomes purchasing and production director. Personal director Mr Collio Gordon will add the responsibility of the finance department to his current role.

Mr P. E. Lloyd has been appointed chairman of W AND A GILBEY, succeeding Mr Lloyd Richards. From March 1 he will become responsible for trade relations and will progressively represent the company's interest in the activities of the Wine and Spirit Association. Mr Lloyd, currently chairman of the Institute of Master of Wines, will remain in charge of quality control. Distribution director Mr Harry Whittle will add to his current brief responsibilities for co-ordinating computing activities.

Both companies are members of the IDV Group.

Mr C. Stewart S. Lyon has been elected president of the INSTITUTE OF ACTUARIES in succession to Mr Antony R. N. Ratcliff, whose term of office will expire on June 28. Mr Lyon is

now 50 per cent owned by Construction, also a member of the Clarke Group, has appointed Mr Walter Stevenson as regional director for the Midlands division. Mr Stevenson was production director.

Mr H. Morley has retired from his executive duties in the BRIDON GROUP, but remains a director of Bridon Limited. Mr J. Churchfield, while retaining his existing position as managing director of the Templeborough Rolling Mills, has taken over Mr Morley's executive responsibilities in respect of Bridon's engineering companies — Danite Hard Metals and the Darlington Fencing Company, both of Doncaster, and Morlock Industries of Wombourne, near Birmingham, as well as Bridon's interests in Ashlow of Rotterdam.

Mr Lewis Evans has been made manager of the Collingwood Street, Newcastle upon Tyne branch of LLOYDS BANK in succession to Mr Bernard Wyllie.

Mr Peter J. Walters has been appointed managing director, designating parcels carrier, ATLAS EXPRESS. He was on the operating board of United Carriers. Mr Walters will take control fully on March 1 succeeding Mr F. R. Robinson.

McCOMBE ACCOUNTANCY RECRUITMENT has appointed Mr Harold James director with special responsibility for the recruitment of both permanent and temporary accountancy staff.

HEALDS DAIRIES has made the following appointments: Mr L. K. Anderson, financial director, and Mr Ken Payne, regional land director — Southern, and Mr John Wilkinson, regional sales director — Southern. Clarke

Nervous trading

The dollar was firmer in currency markets yesterday in nervous trading. The market was again dominated by uncertainty over future interest rate trends, with U.S. rates looking firmer and European rates easier. However, central bank intervention was again a calming influence, helping to rule out the more erratic movements.

Sterling showed little overall movement and traded within quite a narrow band. There was however a reasonable amount of business within that band. There appeared to be little reaction to lower domestic rates.

Currencies within the European Monetary System were hardly changed with the Dutch guilder remaining the strongest currency and the Belgian franc the weakest.

DOLLAR — Trade weighted index (Bank of England) 109.1 against 108.7 on Tuesday and 111.1 six months ago. Three month Treasury bills 12.60 per cent (14.93 per cent six months ago). Annual inflation rate 9.6 per cent (10.2 per cent previous month). The dollar closed at DM 2.3050 against the D-mark up from DM 2.2850 and SwFr 1.8610 compared with SwFr 1.8475. It was also higher against the Japanese yen, closing at Y225.5 against Y224.5.

STERLING — Trade weighted index 91.4 against 91.3 at noon, 91.4 in the morning and 91.5 at the previous close. (ECU six months ago). Three month interbank 15 per cent (14.5 per cent six months ago). Annual inflation 12 per cent (unchanged from previous month). Sterling opened at \$1.8575 against the dollar and touched a low of \$1.8515 in the afternoon before touching a best level of \$1.8515 and closing at \$1.8540-1.8550, a fall of 1.05c. Against the D-mark it finished at DM 4.3525 up from

THE POUND SPOT AND FORWARD

Jan 20	Day's spread	Close	One month	Three months	Six months
U.S.	1.8515-1.8575	1.8540-1.8550	0.20-0.20c pm	0.85-0.10 pm	0.71-0.20 pm
Canada	2.2850-2.2900	2.2900-2.2910	0.00-0.00c	-0.27-0.20c	-0.28-0.28
Nethld.	4.70-4.77	4.75-4.76	17-15c	4.00	4.00
Belgium	23.70-23.75	23.65-23.66	2-3c	105.50	105.50
Denmark	14.18-14.22	14.20-14.21	15-15c	1.00	1.00
Ireland	1.2285-1.2295	1.2295-1.2299	0.00-0.00c	1.00	1.00
France	1.23-1.23	1.23-1.23	0.00-0.00c	1.00	1.00
Spain	125.00-125.00	125.00-125.00	15-15c	1.00	1.00
Portugal	165.75-166.50	165.75-166.50	10-10c	1.00	1.00
Italy	2,210-2,220	2,210-2,220	14-17c	1.00	1.00
Norway	11.05-11.07	11.05-11.06	25-25c	1.00	1.00
Sweden	10.80-10.90	10.80-10.85	14-14c	1.00	1.00
Australia	2.25-2.25	2.25-2.25	14-14c	1.00	1.00
Switzerland	3.05-3.05	3.05-3.05	14-14c	1.00	1.00
Japan	248.25-248.25	248.25-248.25	14-14c	1.00	1.00

THE DOLLAR SPOT AND FORWARD

Jan 20	Day's spread	Close	One month	Three months	Six months
U.S.	1.00-1.00	1.00-1.00	0.00-0.00c	0.00-0.00c	0.00-0.00c
Ireland	1.2285-1.2295	1.2295-1.2299	0.00-0.00c	0.00-0.00c	0.00-0.00c
Canada	1.1985-1.1995	1.1995-1.1999	0.00-0.00c	0.00-0.00c	0.00-0.00c
Nethld.	2.1950-2.1960	2.1960-2.1965	0.00-0.00c	0.00-0.00c	0.00-0.00c
Belgium	23.70-23.75	23.65-23.66	0.00-0.00c	0.00-0.00c	0.00-0.00c
Denmark	7.4625-7.4675	7.4650-7.4675	0.00-0.00c	0.00-0.00c	0.00-0.00c
France	6.5575-6.5625	6.5600-6.5625	0.00-0.00c	0.00-0.00c	0.00-0.00c
Spain	165.75-166.50	165.75-166.50	0.00-0.00c	0.00-0.00c	0.00-0.00c
Portugal	165.75-166.50	165.75-166.50	0.00-0.00c	0.00-0.00c	0.00-0.00c
Italy	2,210-2,220	2,210-2,220	0.00-0.00c	0.00-0.00c	0.00-0.00c
Norway	8.8250-8.8300	8.8250-8.8300	0.00-0.00c	0.00-0.00c	0.00-0.00c
Sweden	10.80-10.90	10.80-10.85	0.00-0.00c	0.00-0.00c	0.00-0.00c
Australia	0.6275-0.6285	0.6275-0.6285	0.00-0.00c	0.00-0.00c	0.00-0.00c
Switzerland	0.6475-0.6485	0.6475-0.6485	0.00-0.00c	0.00-0.00c	0.00-0.00c
Japan	148.75-148.75	148.75-148.75	0.00-0.00c	0.00-0.00c	0.00-0.00c

CURRENCY MOVEMENTS

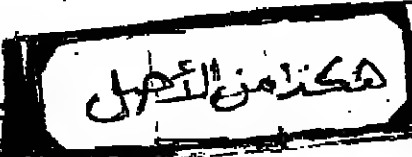
Jan. 20	Bank of England Index	Foreign Exchange	Jan. 19	Bank of England Index	Foreign Exchange
Starting	100.0	100.0	100.0	100.0	100.0
U.S. dollar	+1.4	+1.4	100.0	100.0	100.0
Canadian dollar	+0.8	+0.8	100.0	100.0	100.0
Australian dollar	+0.8	+0.8	100.0	100.0	100.0
Japanese yen	+0.8	+0.8	100.0	100.0	100.0
West German DM	+0.8	+0.8	100.0	100.0	100.0
French franc	+0.8	+0.8	100.0	100.0	100.0
Italian lira	+0.8	+0.8	100.0	100.0	100.0
Spanish peseta	+0.8	+0.8	100.0	100.0	100.0
Portuguese escudo	+0.8	+0.8	100.0	100.0	100.0
Dutch guilder	+0.8	+0.8	100.0	100.0	100.0
Belgian franc	+0.8	+0.8	100.0	100.0	100.0
Irish pound	+0.8	+0.8	100.0	100.0	100.0
Swedish krona	+0.8	+0.8	100.0	100.0	100.0
Norwegian krone	+0.8	+0.8	100.0	100.0	100.0
Denmark krone	+0.8	+0.8	100.0	100.0	100.0
Finland markka	+0.8	+0.8	100.0	100.0	100.0
Yugoslav dinar	+0.8	+0.8	100.0	100.0	100.0
Czechoslovak koruna	+0.8	+0.8	100.0	100.0	100.0
Polish zloty	+0.8	+0.8	100.0	100.0	100.0
Hungarian forint	+0.8	+0.8	100.0	100.0	100.0
Romanian leu	+0.8	+0.8	100.0	100.0	100.0
Soviet ruble	+0.8	+0.8	100.0	100.0	100.0

OTHER CURRENCIES

Jan. 20	Bank of England Index	Foreign Exchange	Jan. 19	Bank of England Index	Foreign Exchange
Argentina peso	+0.8	+0.8	100.0	100.0	100.0
Brazil cruzeiro	+0.8	+0.8	100.0	100.0	100.0
Chilean peso	+0.8	+0.8	100.0	100.0	100.0
Colombian peso	+0.8	+0.8	100.0	100.0	100.0
Costa Rican colón	+0.8	+0.8	100.0	100.0	100.0
Cuban peso	+0.8	+0.8	100.0	100.0	100.0
Ecuadorian sucre	+0.8	+0.8	100.0	100.0	100.0
Guatemalan quetzal	+0.8	+0.8	100.0	100.0	100.0
Honduran lempira	+0.8	+0.8	100.0	100.0	100.0
Indonesian rupiah	+0.8	+0.8	100.0	100.0	100.0
Israeli sheqel	+0.8	+0.8	100.0	100.0	100.0
Kenyan shilling	+0.8	+0.8	100.0	100.0	100.0
Malaysian ringgit	+0.8	+0.8	100.0	100.0	100.0
Mexican peso	+0.8	+0.8	100.0	100.0	100.0
Nepalese rupee	+0.8	+0.8	100.0	100.0	100.0
Nigerian naira	+0.8	+0.8	100.0	100.0	100.0
Pakistani rupee	+0.8	+0.8	100.0	100.0	100.0
Philippine peso	+0.8	+0.8	100.0	100.0	100.0
Sri Lankan rupee	+0.8	+0.8	100.0	100.0	100.0
Taiwan dollar	+0.8	+0.8	100.0	100.0	100.0
Thai baht	+0.8	+0.8	100.0	100.0	100.0
Turkish lira	+0.8	+0.8	100.0	100.0	100.0
Uruguayan peso	+0.8	+0.8	100.0	100.0	100.0
Venezuelan bolivar	+0.8	+0.8	100.0	100.0	100.0

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS	S.E. Europe Obligations S.A.	Leopold Joseph & Sons (Germany)	Seve & Prager International
Adia Investment	Adia Investment Ltd. 1, Adel St, Douglas, Isle of Man. UK Agents PIS, St. Helier, Jersey. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Albany Fund Management Limited	Albany Fund Management Limited P.O. Box 73, St. Helier, Jersey. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Allen Harvey & Ross Inv. Mgt. (C.I.)	Allen Harvey & Ross Inv. Mgt. (C.I.) 1, Church Green, St. Helier, Jersey. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Alliance International Dollar Reserves	Alliance International Dollar Reserves c/o Bank of Bermuda, Hamilton, Bermuda. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Arbitrage Securities (C.I.) Ltd. (A.C.)	Arbitrage Securities (C.I.) Ltd. (A.C.) P.O. Box 73, St. Helier, Jersey. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
B.A. Bond Investments AC	B.A. Bond Investments AC 10, Bouverie Street, Zurich, Switzerland. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Bank of America International S.A.	Bank of America International S.A. 70 Broadway, New York, N.Y. 10002. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Bankers Managers (Jersey) Ltd.	Bankers Managers (Jersey) Ltd. P.O. Box 73, St. Helier, Jersey. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Barclays Overseas International	Barclays Overseas International 1, Church Green, St. Helier, Jersey. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Bridgeway Management Ltd.	Bridgeway Management Ltd. P.O. Box 73, St. Helier, Jersey. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Brisbane Intl. Investment Mgmt. Co.	Brisbane Intl. Investment Mgmt. Co. P.O. Box 73, St. Helier, Jersey. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Bullseye Fund	Bullseye Fund P.O. Box 73, St. Helier, Jersey. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Capital Asset Managers Ltd.	Capital Asset Managers Ltd. P.O. Box 73, St. Helier, Jersey. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Capital International Fund S.A.	Capital International Fund S.A. P.O. Box 73, St. Helier, Jersey. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Central Assets Management Ltd.	Central Assets Management Ltd. P.O. Box 73, St. Helier, Jersey. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
Cheltenham & Abingdon (C.I.) Ltd.	Cheltenham & Abingdon (C.I.) Ltd. P.O. Box 73, St. Helier, Jersey. 01-423-3516	King & Shazman Jersey. 1, Church Green, St. Helier, Jersey. 01-423-3516	Seve & Prager International P.O. Box 73, St. Helier, Jersey. 01-423-3516
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Cheltenham & Abingdon (C.I.) Ltd.	Cheltenham & Abingdon (C.I.) Ltd. P		



EDITED BY ALAN CANE

TECHNOLOGY

Fiery furnace of TI research

BY ALAN CANE

TUBE INVESTMENTS saw little sunshine in 1981. It lost £13.7m in the first half...

corners unless you know what you are doing. It means that for every one of the often advanced and esoteric techniques in use at Hinxton Hall...

major specialities, electron probe microanalysis. Abar builds equipment used to harden the surface of steels. The fancy name is plasma carburising or nitriding...

HINXTON HALL, TI's main research and development centre.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100), engineering orders (1975=100), retail sales volume (1975=100), retail sales value (1975=100), registered employment (excluding school leavers) and unskilled wages (000s). All seasonally adjusted.

Table with 7 columns: 1980, 1981, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, and Dec. Rows include output, retail, and employment indicators.

OUTPUT—By major sector, consumer goods, investment goods, intermediate goods (chemicals and fuels), engineering output, metal manufacturing, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

Table with 7 columns: 1980, 1981, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, and Dec. Rows include consumer goods, metal, and textile output.

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance, current balance, all balance (£m); terms of trade (1975=100, exchange reserves).

Table with 7 columns: 1980, 1981, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, and Dec. Rows include export and import volume, and trade figures.

FINANCIAL—Money supply M1 and M3, bank advances in sterling to the private sector (three mths' growth at annual rate); domestic credit expansion (£m); lending facilities net inflow (£2, new credit); all seasonally adjusted. Minimum lending rate (end period).

Table with 7 columns: 1980, 1981, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, and Dec. Rows include money supply and financial indicators.

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1975=100); FT commodity index (July 1982=100); trade weight value of sterling (1975=100).

Table with 7 columns: 1980, 1981, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, and Dec. Rows include earnings, inflation, and commodity index.

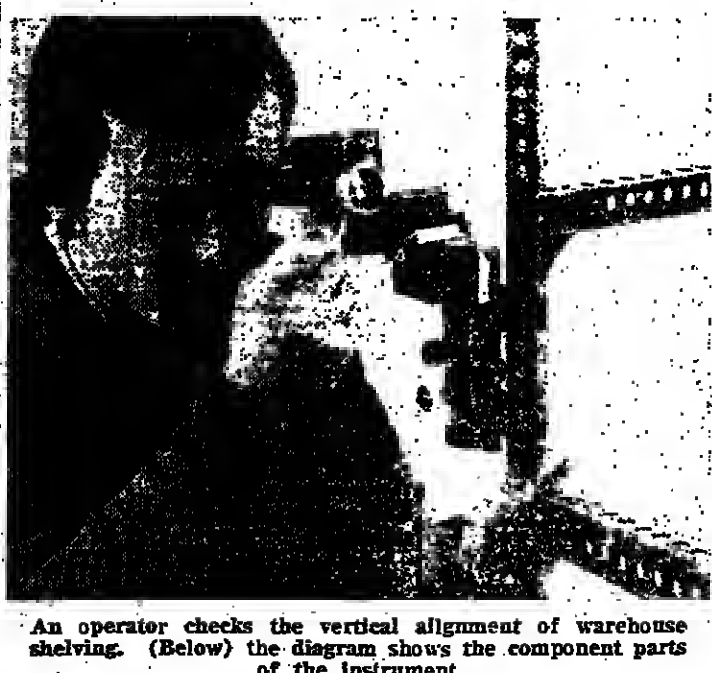
At present, the research and development work at Hinxton is a half-and-half mix between companies in the TI group asking for solutions, and the laboratories: "persuading market pull to happen," as David McLeod put it.

By focusing on details of the lens to be plumbed at top and bottom the vertical can be checked and corrected without the need for specially designed targets. The company says that an additional spirit level can be included adjacent to the telescope and used to define a horizontal line along the sight of the telescope.

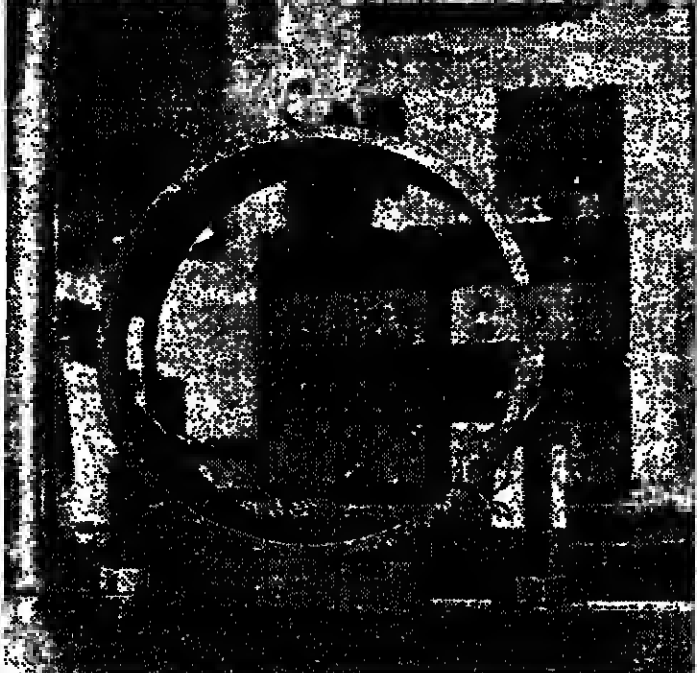
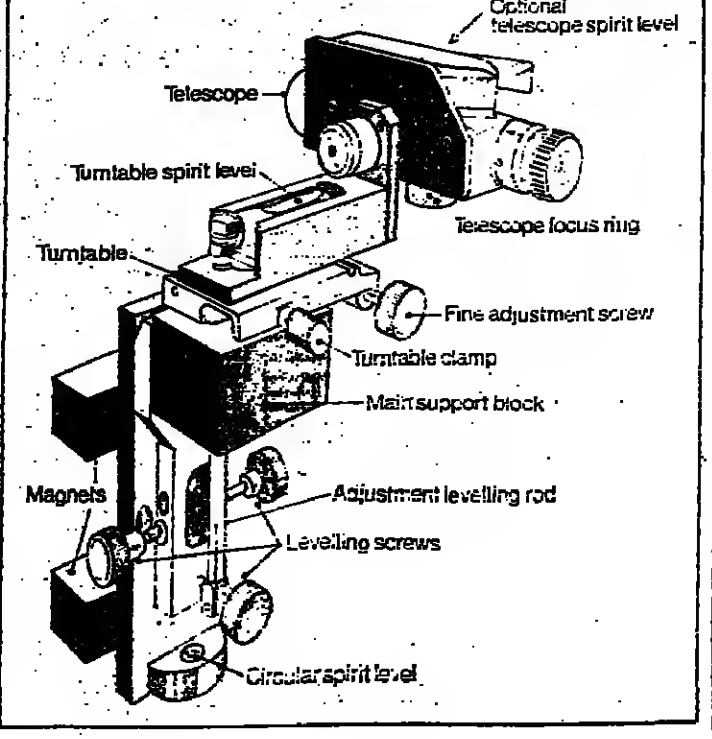
Instrument to check vertical alignment

BY MAX COMMANDER

HOW to check a vertical alignment. The answer, says Survey and General Instrument of Fircroft Way, Edenhridge, Kent, is its newly developed instrument, principally designed for warehouse shelving, where alignment is important, but with, obviously, many other possible uses in industry.



An operator checks the vertical alignment of warehouse shelving. (Below) the diagram shows the component parts of the instrument.



The Design and Instrumentation Department is able to deal with laboratory and plant-scale trials and experiments.

Bondspeed launch in France and Germany

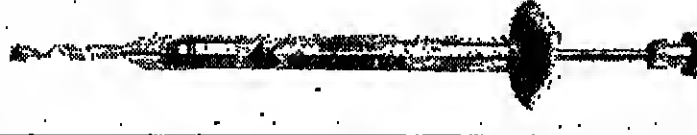
BONDSPED of Doncaster is to introduce its one-step hare metal to foyest hand to French vehicle body repairers next month and a few weeks later in West Germany. The company has also had more than 500 inquiries from the North American market.

Forktruck for long laden containers

KALMAR LMV Forktrucks of Peterborough (0732 236 000) has introduced a forktruck with a long reach top frame to handle 20 to 40 ft long laden containers. It is capable of stacking four rows of containers from a single gangway with capacities of 35 tonnes on the inner rows and 15 tonnes on the outers.

'Unbreakable' micropipettors

DESCRIBED AS "virtually unbreakable," the U.S.-manufactured range of Labindustries micropipettors is now available in the UK from Gallenkamp, Technico House, Christopher Street, London EC2 (01-247 3211).



COMPANY NOTICES

BANQUE FRANCAISE DU COMMERCE EXTERIEUR. Manufacture Francaise des Pneus Michelin. Public Notices: London Borough of Wandsworth, Wiltshire County Council.

CLASSIFIED ADVERTISEMENT RATES

Table with 3 columns: Category, Single column cm, and Rate. Categories include Commercial & Industrial, Property, Residential, etc.

ART GALLERIES

BROWNE & DUNN, 19, Cork St., W.1. LEFEBRE GALLERY, 30, Bruton St., W.1. WHITECHAPEL ART GALLERY, Whitechapel, E.1.

CLUBS

VAUGHANVILLE, CC 01-836 8988. JACKSON IN ALGALAN & CHRISTIE'S CARDS ON THE TABLE. SORRY, no more cards available from 12.30.

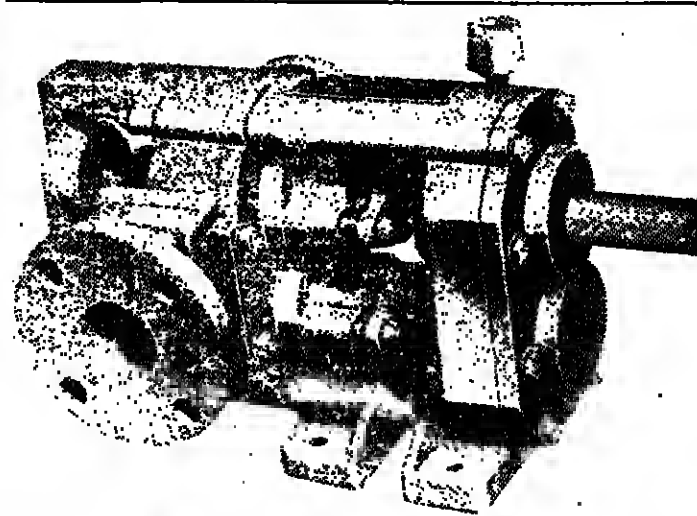
THEATRES

VAUGHANVILLE, CC 01-836 8988. JACKSON IN ALGALAN & CHRISTIE'S CARDS ON THE TABLE. SORRY, no more cards available from 12.30.

Modular system

A BUILDING management system has been introduced by BIS-Margaux (01-633 0866). System 6400 is intended for supermarkets, hospitals, offices, schools and factories.

This modular system is based on several microprocessor control units situated around the building. These are connected to the master unit which controls communication between modules and monitors for system faults.



U.S.-designed non-meshing pumps available in UK

MD Lobe-Line non-meshing pumps able to deliver at up to 10 Bar at low operating speeds are now available in the UK. The pumps — 13 types are available — and designed in the U.S. will handle heavy oils, sludge, abrasive slurries, food and offal waste, tar and paint at a wide range of temperatures.

GOLD FIELDS GROUP

VOGELSTRUISBULT METAL HOLDINGS LIMITED. (Incorporated in the Republic of South Africa)

PRELIMINARY ANNOUNCEMENT OF RESULTS

Table with 3 columns: Item, 1981, 1980. Rows include Revenue, Income from investments, Profit (loss) on realisation of investments, etc.

PUBLIC NOTICES

LONDON BOROUGH OF WANDSWORTH. For the six months ending 30th June 1982, the interest on the rate stock will be £18.1575% per annum.

ART GALLERIES

BROWNE & DUNN, 19, Cork St., W.1. LEFEBRE GALLERY, 30, Bruton St., W.1. WHITECHAPEL ART GALLERY, Whitechapel, E.1.

DECLARATION OF FINAL DIVIDEND

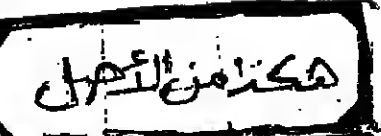
Dividend No 70 of 11.0 cents per share in respect of the year ended 31 December 1981, has been declared in South African currency, payable to members registered at the close of business on 3 February 1982.

DECLARATION OF FINAL DIVIDEND

Dividend No 70 of 11.0 cents per share in respect of the year ended 31 December 1981, has been declared in South African currency, payable to members registered at the close of business on 3 February 1982.

By order of the board C. E. WENNER, London Secretary, United Kingdom Registrar, Close Registrars Limited, 803 High Road, Leyton, London E10 7AA

COMMODITIES AND AGRICULTURE



Faroe Islands reject salmon fishing curbs

BY LARRY KLINGER IN BRUSSELS

TALKS between the EEC and the Faroe Islands on limiting the Faroes salmon catch have again been broken off, with no date set for their resumption.

70 per cent are economically dependent on fishing, have offered, in return for an acceptable overall EEC fishing pact, to cut their salmon catch to 375 tonnes for the current season and to 775 in the following year.

Washington—U.S. Agriculture Secretary John Block expects "substantial" damage to the Florida citrus crop as a result of last week's frost.

Florida estimate 'very high'

WASHINGTON—U.S. Agriculture Secretary John Block

Mr Block said the USDA will not make disaster loans to Florida citrus growers who suffered damage. Instead, growers can receive assistance if they signed up for the new, federal all-risk crop insurance programme.

Indonesia details coconut levy

MANILA—President Ferdinand Marcos told the national assembly

The current price in New York is around 25c a pound. President Marcos had already announced the levy would no longer be at a fixed rate of 50 pesos per 100 kilos of copra.

Higher cotton output seen

WASHINGTON—World cotton stocks are projected to increase about 4m bales (400 lb)

The U.S. accounting for nearly 90 per cent of the increase in this year's world cotton output, should harvest a crop of 15.7m bales, 4.5m above the drought-stricken 1980 crop.

EEC sugar subsidy cut

BY OUR COMMODITIES STAFF

THE EEC Commission yesterday authorised the export of 40,500 tonnes of white sugar at a maximum export rebate of 22.814 European currency units per 100 kilos.

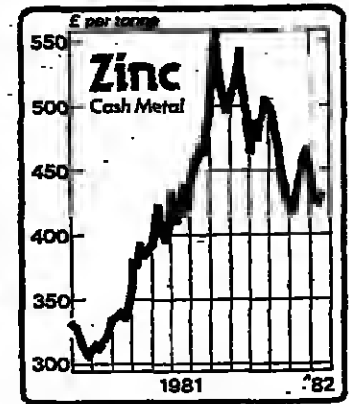
Indonesia details coconut levy

MANILA—President Ferdinand Marcos told the national assembly

The current price in New York is around 25c a pound. President Marcos had already announced the levy would no longer be at a fixed rate of 50 pesos per 100 kilos of copra.

Balancing supply and demand

BY ROY HODSON



WEST GERMANY is the bell wether of the European zinc business. Now that producer prices for the metal have risen this week, the impact will be felt throughout Europe and in other world markets as well.

Indonesia details coconut levy

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Tin price range increase rejected

BY ROY HODSON

TIN CONSUMERS taking part in the international talks with producers in London yesterday rejected a proposed 15 per cent rise in the price range according to unofficial reports from the private talks.

The differential widened to £740 by the end of the morning ring and was £677.50 at the close. Cash tin finished at £8,625 a tonne, a rise of £155 and three months tin finished at £7,947.50 a tonne, a rise of £52.50.

Lead and zinc were both affected to some extent by producer price changes and possible tightness in supplies. Lead closed at £255 a tonne for cash, a rise of £14.25, and cash zinc closed at £435.50, a rise of £5.

Aluminium for cash gained £9 to close at £596.50 a tonne. The firmness was prompted by market feelings rather than any news of industrial recovery.

BRITISH COMMODITY MARKETS

BASE METALS

Table with columns for metal type (Copper, Lead, Zinc, Tin, Nickel, Silver, Gold, Platinum, Palladium, Rhodium, Iridium, Osmium, Rhenium, Technetium, Vanadium, Niobium, Manganese, Chromium, Cobalt, Molybdenum, Selenium, Tellurium, Bismuth, Antimony, Arsenic, Boron, Silicon, Germanium, Gallium, Indium, Thallium, Lead, Tin, Zinc, Cadmium, Mercury, Bismuth, Antimony, Arsenic, Selenium, Tellurium, Barium, Strontium, Calcium, Magnesium, Sodium, Potassium, Rubidium, Cesium, Francium, Actinium, Thorium, Protactinium, Uranium, Neptunium, Plutonium, Americium, Curium, Berkelium, Californium, Einsteinium, Fermium, Mendelevium, Nobelium, Lawrencium, Rutherfordium, Dubnium, Seaborgium, Bohrium, Hassium, Meitnerium, Darmstadtium, Roentgenium, Copernicium, Nihonium, Flerovium, Tennessine, Oganesson).

Table with columns for metal type (Copper, Lead, Zinc, Tin, Nickel, Silver, Gold, Platinum, Palladium, Rhodium, Iridium, Osmium, Rhenium, Technetium, Vanadium, Niobium, Manganese, Chromium, Cobalt, Molybdenum, Selenium, Tellurium, Barium, Strontium, Calcium, Magnesium, Sodium, Potassium, Rubidium, Cesium, Francium, Actinium, Thorium, Protactinium, Uranium, Neptunium, Plutonium, Americium, Curium, Berkelium, Californium, Einsteinium, Fermium, Mendelevium, Nobelium, Lawrencium, Rutherfordium, Dubnium, Seaborgium, Bohrium, Hassium, Meitnerium, Darmstadtium, Roentgenium, Copernicium, Nihonium, Flerovium, Tennessine, Oganesson).

GAS OIL FUTURES

Table with columns for contract type (Nearby, 1 month, 3 months, 6 months, 9 months, 12 months), price, and business done.

SOYABEAN MEAL

Table with columns for contract type (Nearby, 1 month, 3 months, 6 months, 9 months, 12 months), price, and business done.

PRICE CHANGES

Table with columns for commodity name, price, and change.

AMERICAN MARKETS

Table with columns for commodity name, price, and change.

Tuesday's closing prices

Table with columns for commodity name, price, and change.

EUROPEAN MARKETS

Table with columns for commodity name, price, and change.

COFFEE

Table with columns for coffee type (Arabica, Robusta), price, and change.

RUBBER

Table with columns for rubber type (RSS, SBR), price, and change.

POTATOES

Table with columns for potato type (White, Golden Wonder), price, and change.

MEAT/VEGETABLES

Table with columns for meat/vegetable type (Beef, Pork, Lamb, Chicken, etc.), price, and change.

Wool futures

Table with columns for wool type (Wool, Greasy), price, and change.

Cotton

Table with columns for cotton type (Cotton, Lint), price, and change.

Advertisement for 'A NEW RANGE OF COMMODITY SERVICES ON THE REUTERS MONITOR'. It lists various commodity services and contact information for John Roberts in London.

Advertisement for 'COFFEE' and 'RUBBER' futures. It provides detailed information about the services and contact details for the company.

Advertisement for 'MEAT/VEGETABLES' and 'Wool futures'. It provides detailed information about the services and contact details for the company.

Advertisement for 'Cotton' and 'Wool futures'. It provides detailed information about the services and contact details for the company.

Advertisement for 'INDICES' and 'DOW JONES'. It provides information about the services and contact details for the company.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Main table containing financial data for various unit trusts, including columns for company names, fund names, and numerical values.

INSURANCE PROPERTY BONDS

Table listing insurance and property bond products with associated company names and details.

NOTES: Detailed explanatory text regarding the data presented in the tables, including terms and conditions.

Weekly Digest: A small section at the bottom right of the page providing a summary of key information.

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

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BRITISH FUNDS

Table of British Funds with columns for Name, Price, and Yield. Includes 'Shorts' (Lives up to Five Years) and 'Five to Fifteen Years'.

Over Fifteen Years

Table of funds categorized as 'Over Fifteen Years'.

Undated

Table of undated funds.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of international bank and overseas government sterling issues.

CORPORATION LOANS

Table of corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans.

LOANS

Table of loans including Public Board and Ind., Financial, and Building Societies.

FOREIGN BONDS & RAILS

Table of foreign bonds and rails.

AMERICANS

Table of American stocks and bonds.

BANKS AND HIRE PURCHASE

Table of banks and hire purchase companies.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building, timber, and road companies.

CANADIANS

Table of Canadian companies.

CHEMICALS, PLASTICS—Cont.

Table of chemical and plastic companies.

DRAPERY AND STORES

Table of drapery and store companies.

ELECTRICALS

Table of electrical companies.

ENGINEERING MACHINE TOOLS

Table of engineering and machine tool companies.

FOOD, GROCERIES, ETC.

Table of food, grocery, and other companies.

HOTELS AND CATERERS

Table of hotels and caterers.

INDUSTRIALS (Miscel.)

Table of miscellaneous industrial companies.

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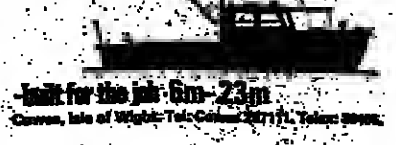
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CHEMICALS, PLASTICS

Table of chemical and plastic companies.

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Cheverton Workboats



Rail dispute talks may resume today

BY PHILIP BASSETT, LABOUR STAFF

BRITISH RAIL and the rail unions seem likely to attend resumed talks today with the Advisory Conciliation and Arbitration Service on the train drivers' pay and productivity dispute.

Even as Acas officials made the informal contacts yesterday, the executive of the Associated Society of Locomotive Engineers and Firemen called another two-day strike for Wednesday and Thursday next week.

All BR services were halted yesterday by the first day of Aslef's second two-day strike. Trains will not run today.

Mr Pat Lowry, Acas chairman, was in touch with all the parties to the dispute by tele-

phone yesterday. Some were prepared for talks to be resumed last night, most favoured a meeting today.

The meeting will examine further the plan being put together for comprehensive arbitration on all aspects of the dispute. The National Union of Railwaymen and the white-collar TSSA seem ready to accept the idea of arbitration, but the Aslef position is less clear.

One senior Aslef official said yesterday that arbitration was a "oon-runner," but the union acknowledged in the talks with Acas on Tuesday that it was prepared to go through the industry's pro-

cedures to arbitration if necessary.

The sticking point is still the payment of the disputed 3 per cent second stage of last year's two-part 11 per cent pay deal. Those involved in the delicately-poised talks believe the BR will have to concede payment of the 3 per cent, if only to a pool, as a sign of good faith while arbitration takes place.

Pressure is being exerted for a quick move to arbitration. Despite the cautious moves towards a resolution of the dispute, the Aslef executive took only 20 minutes to decide on a further strike next week. It also confirmed a strike this Sunday.

Services on BR's Eastern region are expected to be disrupted tomorrow by another strike — this time by NUR guards at London's Kings Cross station. Action could also be taken at depots including Crewe and Derby and in some Southern Region areas.

Like the Aslef strikes, the NUR guards' action is over the crucial productivity issue of more flexible work rostering. However, the NUR executive, unlike Aslef, has accepted the issue in principle. A senior full-time NUR official will today go to Kings Cross to try to defuse the situation.

Industrialists at yesterday's CBI meeting supported the firm

line being taken by the BR board. Sir Raymond Pennock, CBI President, warned that further Aslef strikes would cause widespread industrial damage.

James McDonald writes: Better weather and new travel and work patterns led to many more people getting to work yesterday in the Greater London area than on Wednesday last week.

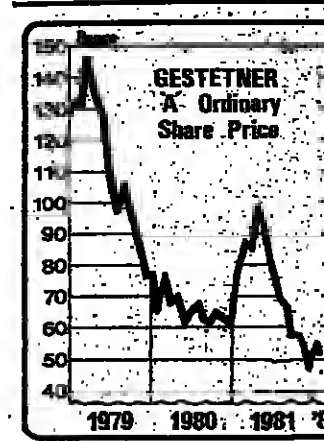
A survey yesterday of more than 50 industrial and commercial companies, conducted by the L2000 Chamber of Commerce, suggested that by lunchtime about 75 per cent of London's workforce had checked in.

THE LEX COLUMN

THF with room to spare

After three years of almost unprecedented severity in the tourist trade, Trusthouse Forte has at last lost its grip on the faithful business traveller. Occupancy rates have fallen by around 8 points to 61 per cent in the provincial hotels. Below the level of the more tourist-orientated London establishments, and an 8 per cent rise in achieved room revenues has failed to compensate fully for the rise in costs.

Index fell 0.1 to 545.8



Against this depressing background, THF has done well to hold trading profits above £100m to the year to October. Earnings from foreign hotels have held up, despite the loss of the Pierre contract in New York, and the leisure side has benefited from the first-time contribution of EMI operations acquired in October, 1980.

Looking further down the revenue account, however, THF leaves the impression of a company living slightly beyond its means. Much higher depreciation and interest charges have left pre-tax profits 21 per cent lower at £52.5m and the company has been unable to prevent a £10m cash outflow even after the receipt of £94m of rights issue cash.

The balance sheet is still reasonably strong and THF is certainly not envisaging the kind of hotel sales announced yesterday by Savoy Metropolitan. But the Savoy episode, which contributed £2m to last year's interest burden, looks an act of extravagance in the light of THF's other capital commitments.

This may sound curiously a year from now if THF achieves the increase in occupancy rates which it is already beginning to sniff. The impact on pre-tax profits would be dramatic, given the company's extremely high level of operational gearing, and the shares—5p lower at 116p yesterday—may not yet have recognised the full potential. The yield is 7.7 per cent.

Britain wins coveted gastronomic accolade

By Arthur Sandes
 BRITAIN, land of over-billed sprouts and brown Windsor soup, has at last entered the world of the gastronomic elite—or so says the Guide Michelin. For the first time the UK has a three rosette restaurant—the Gaiety in London's Mayfair.

The Gaiety has been named as Britain's best eating house by the latest issue of the gourmet's bible. "This means that Britain and Ireland (the French classify the two as one) now have a restaurant equal to the best restaurants in Europe," says Michelin.

Brothers

The Gaiety is run by the brothers Roux, Messrs Michel and Albert, whose other establishments include the Poulbot in the City, the Waterside in Bray and a new histro, Cavvers, in Chelsea. In recent years the Roux brothers have been backing former chefs setting up their own establishments.

Unperturbed

Three rosette diners are not, however, perturbed by such charges. Such restaurants, the guide warns British readers who may be unaccustomed to such things, offer "superb food, fine wines, faultless service, elegant surroundings... One will pay accordingly!" The exclamation mark is Michelin's.

But while Britain was hankering under a gastronomic accolade there was another edge to the Michelin sword. The Connaught, long regarded as the heartland of British cooking, has lost a rosette and been reduced to one. Men and Matters, Page 22

Heron Corporation moves closer to making £42.5m bid for ACC

BY JOHN MOORE

TWO CITY of London merchant banks were locked in discussions last night over a possible £42.5m bid by Heron Corporation, one of the UK's largest private businesses, for Associated Commercial Corporation, the entertainment empire built up by Lord Grade.

Standard Chartered Merchant Bank, advising ACC during the passage of its £36m takeover by Mr Robert Holmes a Court, the Australian entrepreneur, is providing key financial information about any material changes which may have occurred in ACC's financial position since the publication of the annual report and accounts for the year to March 31 1981.

Standard Chartered is in talks with Barclays Merchant Bank, which is advising Heron. This follows the Independent Broadcasting Authority, ACC and Central Independent Television, in which ACC has a 51 per cent stake. Heron alleges that any transfer of shares to Mr Holmes a Court's business interests would be in violation of the Broadcasting Act 1981

and the articles of association of ACC.

Other legal action has been started against all the directors of ACC including Lord Grade and Mr Holmes a Court.

A temporary injunction has been granted until Friday when the case will be heard. Meanwhile Mr Holmes a Court cannot complete his deal.

The IBA will consider the unusual litigation at its regular fortnightly meeting today.

Heron Corporation has bought a small parcel of ACC's non-voting shares—2,000 at 70p a share.

ACC is also encountering internal dissension. Mr Reg Pycroft—who founded Jetsave, the holiday group in which ACC acquired an 85 per cent stake in 1980 for about £3m—wants to buy his company back.

He said yesterday: "ACC, as a parent company, clearly does not have sufficient interest or resources to contribute anything to Jetsave's development." He told Mr Holmes a Court, the

new chairman of ACC, of his plans at 11 am on Tuesday, placed a £1m to £2m offer on the table by 7 pm, and was told yesterday by Mr Holmes a Court that his offer "has been rejected."

Mr Pycroft, whose company made profits of about £800,000 in the six months to last December, countered: "I am determined to bring the company out and hope to reach an amicable agreement."

He said ACC's lack of interest had been demonstrated by the fact that no member of the board had visited the business since it was bought and at no time during the recent upheavals had Mr Pycroft been given any information on the company's position.

Meanwhile other possible bidders for ACC, apart from Heron and Mr Robert Maxwell's publishing interests, appear to be waiting. Several merchant banks in London yesterday were investigating the latest position of ACC and the bid by Mr Holmes a Court in the light of the recent legal action.

Markets

The Bank of England has lowered interest rates again, which makes three snips in three days with the official nail scissors. An eighth of a point off its bill dealing rates yesterday takes the fall this week to a quarter point, and the discount houses will doubtless be trying to sell paper to the Bank at still lower levels today, when another very large money market shortage is on the cards.

If the Bank's moves are all part of a world conspiracy to bring down the cost of money without upsetting the foreign exchange markets—like the plan that fell flat in the autumn

Fewer new graduates find jobs

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

MORE THAN 10,000 of last year's graduates are still looking for jobs, according to authorities on graduate employment.

This backlog will make job prospects for next summer's graduates the worst since World War II, officials of the Standing Conference of Employers of Graduates, the Association of Graduate Careers Advisory Services and the Central Services supporting university and polytechnic appoints staff said in London yesterday.

Some universities and polytechnics have still to report their December 31 checks on students who left last year, when the institutions collectively produced about 102,000 bachelor-level and higher-degree graduates.

Estimates of the proportion still seeking work vary between 11 and 20 per cent. The corresponding figure for 1980

graduates was about 8 per cent. This year about 3 per cent more people will gain degrees, raising the total to about 105,000. But the supply of jobs available to them is likely to fall roughly 10 per cent from the 1981 level.

People with degrees in the arts and social studies will be particularly affected by a levelling-off in demand from major accountancy practices. For several years this has risen at a rate greater than the increase in graduates.

While doctors, dentists and technologists will continue to have the fewest problems, even some engineers will have trouble in finding work directly relevant to their degree.

The officials said students needed to realise that finding an acceptable regular job was liable to take a long time. They should improve their skills at writing applications and being interviewed.

Unperturbed

They should apply not only to big organisations with a tradition of engaging graduates but to smaller companies, particularly those in service industries.

Careers staff were unable to give present students their full attention because they were still dealing with the unemployed from 1981. Careers services were also facing reduced budgets in line with the cuts at a time when the economy was recovering from a rapid increase in demand for graduates, the officials said.

While prospects for people gaining degrees were poor, they were far better than those for 16-year-old school-leavers. Editorial Comment, Page 23; Jobs Column, Page 14.

U.S. autoworkers call off pay talks with GM

BY DAVID LASCELLES IN NEW YORK

THE U.S. Autoworkers Union (UAW) yesterday called off its pay talks with General Motors, the leading U.S. car manufacturer, throwing into jeopardy the industry's efforts to cut labour costs and reduce car prices.

The reasons were not immediately clear, but judging by some brief comments by Mr Douglas Fraser, the union's president, General Motors was unwilling to give the job security guarantees that the union is seeking in return for taking wage cuts.

Mr Fraser said he had called off the talks to consult his 300-man bargaining council in

Washington on Saturday to decide on the next step. General Motors would say only that any delay in hammering together a wage cut deal would result in more lost car sales.

At the same time, negotiations with Detroit's other major manufacturer, Ford Motor, were put on ice. But they had never reached the advanced stage of the GM talks.

The possibility of a resumption of the GM talks was not ruled out by either side last night. But the break marks a serious setback in what had been seen as an epoch-making attempt by Detroit to tackle the problem of high labour costs

and meet cutthroat competition from Japan.

The UAW had put proposals to GM involving reductions in pay and benefits—other than basic wages—on conditions that the company reduced the price of its cars to stimulate sales. GM welcomed the proposals as "historic." But the unions made it clear that its main purpose was to try to stem the massive loss of jobs in the auto industry—not grant concessions to GM.

The autoworkers, whose pay averages a total \$20 (£10.60) an hour, had appeared willing to take cuts of about \$2.50 (£1.32) which would bring the

price of an average car down by about \$500 (£265.30), or 5 per cent—GM had said it was looking for cuts of more than twice that size to bring prices down by \$1,000-1,200 (£530-635). There was a hint of trouble at the first negotiating session when Mr Fraser said he was "shocked" by the concessions GM was seeking.

Ford never accepted the "peony for penny" principle, and offered the unions instead a profit-sharing arrangement in return for holding down labour costs. Formal negotiations on the proposal, made at the end of last week, had not started.

CIT to control Irish telephone project

BY DAVID WHITE IN PARIS

CIT-ALCATEL, the French telecommunications group, is to have a majority holding in a telephone equipment manufacturing project in the Republic of Ireland, with the Irish company Telectron after abandoning its plan for a joint venture with the company.

CIT-Alcatel said it had backed out of the joint venture when it became clear that American Telephone and Telegraph was taking a 45 per cent stake in Telectron to establish its first manufacturing foothold in the European Community.

Telectron and CIT-Alcatel were to have set up a medium-sized plant on a 50:50 basis to make and export telephone switching systems, using French partner's know-how,

The deal was part of an agreement clinched almost two years ago, when the Irish Government chose CIT-Alcatel's E10 digital switching system for its ambitious five-year programme for modernising the country's poor telephone network.

After a fresh series of negotiations, involving AT and T as well as Telectron and the Irish Government, the French company has decided to relaunch the venture on a different basis, taking a 75 per cent stake.

Since the 1980 deal was signed, Telectron technicians have been engaged in installing CIT-Alcatel switching equipment. It is understood that this operation will now pass to

the French company and its planned subsidiary, to be called Alcatel Ireland.

The Guinness group is expected to take part, alongside other Irish interests, as a minority shareholder in the project.

The plant, employing 300 at Bandon, near Cork, is expected to cost about FFr 50m (£4.5m) in the first stage. Other electronic equipment may be made there at a later date.

The French company intends to start production, using temporary premises, later this year. Start-up is likely to be about six months behind the original schedule.

CIT-Alcatel with Alcatel Ireland expects to retain half of

the telephone exchange orders awarded under the current expansion programme of the Irish Post Office. Its E10 system was chosen alongside the AXE system produced by the Swedish Ericsson group, which already has manufacturing facilities in Ireland.

The first CIT-Alcatel exchange was inaugurated in Ireland this week, part of the initial FFr 400m contract announced in March 1980. It was the first time the French company had sold its digital system to another EEC country.

Compagnie Générale d'Electricité, CIT-Alcatel's parent company, is due to be nationalised by the French Government.

Weather

UK TODAY
 Occasional rain, sunny intervals.
 London, Central, S.E., N.W. England, Midlands, Channel Islands, N. Wales, S.W. Scotland Mostly dry, fog patches. Max. 8C (46F).
 East Anglia, E. England, Central and N.E. Scotland Occasional rain, becoming brighter. Max. 7C (45F).
 S.W. England, S. Wales Sunny intervals, scattered showers. Max. 9C (48F).
 N.W. Scotland, N. Ireland Sunny intervals, scattered showers. Max. 7C (45F).
 Outlook:
 Dry with bright intervals, but showers in north and east. Overnight frost and fog.

WORLDWIDE

	Y'day	midday	Y'day
	°C/F	°C/F	°C/F
Alicante	15	17	L. Ang. I. R. 13
Amsterdam	14	17	Luxemb. C. 5
Anvers	14	17	Luxemb. C. 5
Antwerp	14	17	Luxemb. C. 5
Bahia	27	28	Madrid C. 16
Batavia	27	28	Madrid C. 16
Bombay	27	28	Madrid C. 16
Buenos Aires	13	15	Malaga C. 17
Calcutta	27	28	Malaga C. 17
Cairo	27	28	Malaga C. 17
Cardiff	13	15	Malaga C. 17
Chennai	27	28	Malaga C. 17
Copenhagen	13	15	Malaga C. 17
Dublin	13	15	Malaga C. 17
Edinburgh	13	15	Malaga C. 17
Helsinki	13	15	Malaga C. 17
Hong Kong	27	28	Malaga C. 17
London	13	15	Malaga C. 17
Lyons	13	15	Malaga C. 17
Manila	27	28	Malaga C. 17
Medan	27	28	Malaga C. 17
Osaka	27	28	Malaga C. 17
Paris	13	15	Malaga C. 17
Perth	13	15	Malaga C. 17
Rangoon	27	28	Malaga C. 17
San Francisco	13	15	Malaga C. 17
Singapore	27	28	Malaga C. 17
Sydney	13	15	Malaga C. 17
Tokyo	13	15	Malaga C. 17
Yokohama	13	15	Malaga C. 17

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